



Measure for Industrial Upgrades towards Smart and Sustainable Industry

By expediting the transitions to a smart and sustainable industry, the measure aims to sustainably stimulate the development and transformation of the Thai manufacturing and service sectors towards Industry 4.0. Interested parties can learn more about the measure by reviewing the detailed information provided below:

1. Efficiency Enhancement Measure for Existing Projects

The measure applies to:

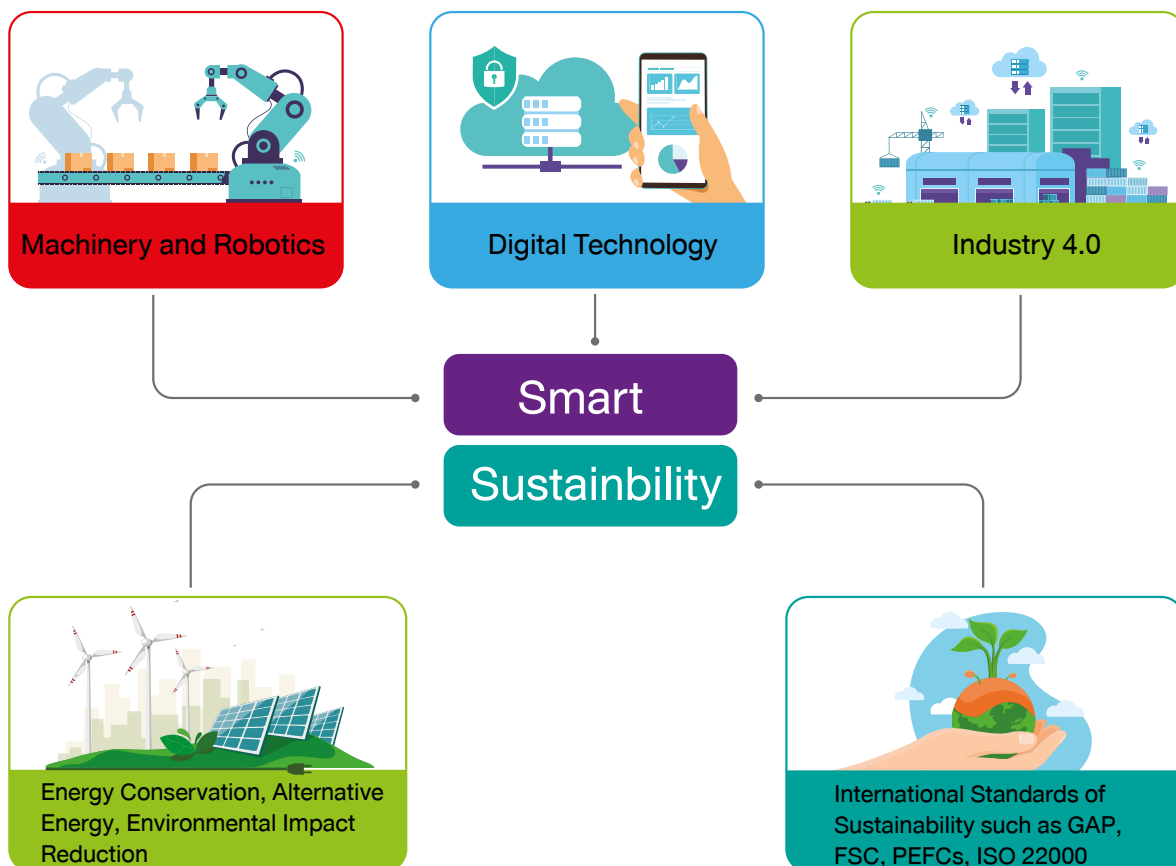
The measure applies to:

(1) Existing activities in operation, whether BOI- or non-BOI-promoted projects, must operate under the scope of investment promotion at the time of application submission, except for some activities specified by the Office as ineligible for investment promotion under this measure.

(2) In the case of a BOI-promoted project applying for promotional incentives under this measure, the corporate income tax exemption benefits must have expired, or the project has not been granted corporate income tax exemption.

(3) The projects must have investment capital of at least 1 million baht excluding the cost of land and working capital.

Improvements are being made....





1.1 Measure to improve the efficiency in upgrading or replacing of machinery and automation

The applicants must submit an investment plan on machinery upgrading or replacing according to the stipulated.

- (1) Adoption of automation system in the existing production line or service, the performance must comply with the specified indicator.

Activities that are not eligible to improve the efficiency in upgrading or replacing of machinery and automation

- Activity 2.2.2.2 Health rehabilitation center
 - Activity 3.6 Manufacture of general automobile
 - Activity 3.7 Manufacture of motorcycles (except less than 248 cc engine displacement)
 - Activity 3.8 Manufacture of battery electric vehicles (BEV), Plug-In hybrid electric vehicles (PHEV), hybrid electric vehicles (HEV), and BEV platforms (Only Plug-In hybrid electric vehicles (PHEV) and hybrid electric vehicles (HEV))
 - Activity 5.2.4.2 Manufacture of cements
 - Activity 5.4.10 Coil center
 - Activity 8.3.3 Co-working space
 - Activity 10.1.1 Trade and investment Support Office (TISO)
 - Activity 10.1.2 International Business Center (IBC)
 - Activity 10.1.3 International Procurement Office (IPO)
- (2) Upgrading or replacing of non-automated machinery
 - (2.1) Adoption of modern non-automated machinery (including digitalized non-automated machinery) in efficiency enhancement to upgrade the work or management processes. The performance must comply with the specified indicator.
 - (2.2) Utilization of new version of machinery in the existing production technology/production line. The performance must comply with the specified indicator.
 - (2.3) Upgrading and replacing machinery to improve qualities of the existing products.

Counting of Investment Value according to the efficiency in upgrading or replacing of machinery and automation.

Investments/Expenditures	Counted in Full Value	Counted as Half of the Value
1. Investments or expenditures on machinery and equipment	✓	
2. Investments or expenditures on software, programs or information technology, renting/using cloud services or data centers		
2.1 The investments or expenditures on software, program, or information technology integrated with machinery or equipment to control, oversee or support the manufacturing process.	✓	
2.2 Investments or expenditures on utilization of Artificial Intelligence (AI), machine learning or utilization of big data and data analytics	✓	
2.3 Investments or expenditures on software, program, or information technology systems for enterprise management: <ul style="list-style-type: none"> • For software, program or information technology systems which are developed by domestic developers, certified by related agencies approved by the BOI • For software, program or information technology systems which are <u>not developed</u> by domestic developers, who are certified by related agencies approved by the BOI, or are developed by foreign developers. 	✓	✓
2.4 Expenditures on renting/using of cloud services or data centers <ul style="list-style-type: none"> • In Thailand • Overseas 	✓	✓

Incentives

1. Exemption of machinery import duties
2. 3-year corporate income tax exemption with a cap of 50 percent of the investment capital (excluding cost of land and working capital on the enhancement). In this regard, the corporate income tax exemption of the revenue derived from the existing projects shall be granted.

In case that the automation system or robotics are used 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 on the enhancement).

3. The corporate income tax exemption period shall be started from the date of revenue derivation after the promotion certificate is issued and the operation start-up must be completed within 3 years as from the issuance date of the promotion certificate.



1.2 Measure to improve the efficiency by digital technology adoption

The applicants must submit an investment plan for adopting digital technology in the upgrading of operation process in order to enhance the production or service efficiency, in any of the following cases.

- (1) Adopting software, program, or information system with systematic link inside the organization and partly outside the organization 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 or service.
- (2) Applying artificial intelligence or AI, machine learning, and big data or data analytics.
- (3) Utilizing software, program or information system for data linkage 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.

For cases 1 and 3, there must be investments or expenditures on software program or information system that are developed or modified by entrepreneurs in Thailand and certified by related agencies.

Activities that are not eligible for Measure to improve the efficiency by digital

- Activity 1.3.2.1 Manufacture or service of machinery and equipment of modern agricultural and modern agricultural system with own system or platform design and manufacture machinery and equipment in the project
- Activity 1.3.2.2 Manufacture or service of machinery and equipment of modern agricultural and modern agricultural system with own system or platform design
- Activity 1.3.2.3 Services related to modern agriculture
- Activity 1.4.6 Digital trade center for agricultural products
- Activity 2.2.2.2 Health rehabilitation center
- Activity 3.6 Manufacture of general automobile
- Activity 3.7 Manufacture of motorcycles (except less than 248 cc engine displacement)
- Activity 3.8 Manufacture of battery electric vehicles (BEV), Plug-In hybrid electric vehicles (PHEV), hybrid electric vehicles (HEV) and BEV platforms (Only Plug-In hybrid electric vehicles (PHEV) and hybrid electric vehicles (HEV))
- Activity 3.18.2.3 Design and development of system or software related to satellites and ground stations
- Activity 3.21.2 Manufacture of simulation and virtual training system and parts and/or repair of simulation and virtual training system
- Activity 5.2.4.2 Manufacture of cements
- Activity 5.4.10 Coil center
- Activity 7.2.2 Smart industrial estate or industrial zone
- Activity 8.1 Development of software, digital platform or digital content
- Activity 8.2.1 Data center
- Activity 8.2.2 Cloud service
- Activity 8.3.3 Co-working space
- Activity 8.4.1 Smart city area development
- Activity 8.4.2 Smart city system development
- Activity 10.1.1 Trade and investment Support Office (TISO)
- Activity 10.1.2 International Business Center (IBC)
- Activity 10.1.3 International Procurement Office (IPO)
- Activity 10.11.1 Distribution centers with smart system

Counting of Investment Value according to improve the efficiency by digital

Digital Technology Adoption Format	Investments/Expenditures	Counted in Full Value	Counted as Half of the Value
<ul style="list-style-type: none"> - Adopting software, program or information system with systematic link inside the organization and partly outside the organization or both inside and outside the organization. - Utilizing software, program or information system for data linkage 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. 	1. Investments or expenditures on software, program, or information system developed/modified by:		
	- Entrepreneurs in Thailand certified by related agencies.	✓	
	- Entrepreneurs in Thailand which are not certified by related agencies or Overseas entrepreneurs		✓
	2. Rental or service fees for Cloud service or Data center		
	- In Thailand	✓	
	- Overseas		✓
<ul style="list-style-type: none"> - Applying artificial intelligence or AI, machine learning, and big data or data analytics. 	1. Investments or expenditures on	✓	
	- Artificial Intelligence or AI		
	- Machine Learning		
	- Utilizing big data		
	- Data Analytics		
	2. Rental or service fees for Cloud service or Data center		
- In Thailand	✓		
- Overseas		✓	

Incentives

1. 3-year corporate income tax exemption with a cap of 50 percent of the investment capital (excluding cost of land and working capital on the enhancement). In this regard, the corporate income tax exemption of the revenue derived from the existing projects shall be granted.
2. The corporate income tax exemption period shall be started from the date of revenue derivation after the promotion certificate is issued and the operation start-up must be completed within 3 years as from the issuance date of the promotion certificate.



1.3 Efficiency Enhancement Measure for Industry 4.0 Transformation

The applicants must submit an investment plan to enhance their efficiencies to achieve the Industry 4.0 transformation as approved by the National Science and Technology Development Agency (NSTDA). The projects must invest in machinery upgrades or replacements to enhance efficiency of their existing manufacturing or service process to achieve the Industry 4.0 transformation according to the prescribed criteria in production and enterprise processes including implementations of:

- Automation and Network Technology
- Data Analytics and Smart Operation
- Digital technology adoption

Activities that are not eligible for Measure for Industry 4.0 Transformation

- Activity 2.2.2.2 Health rehabilitation center
- Activity 3.6 Manufacture of general automobile
- Activity 3.7 Manufacture of motorcycles (except less than 248 cc engine displacement)
- Activity 3.8 Manufacture of battery electric vehicles (BEV), Plug-In hybrid electric vehicles (PHEV), hybrid electric vehicles (HEV), and BEV platforms (Only Plug-In hybrid electric vehicles (PHEV) and hybrid electric vehicles (HEV))
- Activity 5.2.4.2 Manufacture of cements
- Activity 5.4.10 Coil center
- Activity 8.3.3 Co-working space
- Activity 10.1.1 Trade and investment Support Office (TISO)
- Activity 10.1.2 International Business Center (IBC)
- Activity 10.1.3 International Procurement Office (IPO)

Counting of Investment Value according to the Efficiency Enhancement Measure for Industry 4.0 Transformation.

Investments/Expenditures	Counted in Full Value	Counted as Half of the Value
1. Investments or expenditures on machinery and equipment	✓	
2. Investments or expenditures on software, programs or information technology, renting/using cloud services or data centers		
2.1 The investments or expenditures on software, program, or information technology integrated with machinery or equipment to control, oversee or support the manufacturing process.	✓	
2.2 Investments or expenditures on utilization of Artificial Intelligence (AI), machine learning or utilization of big data and data analytics	✓	
2.3 Investments or expenditures on software, program, or information technology systems for enterprise management: <ul style="list-style-type: none"> • For software, program or information technology systems which are developed by domestic developers, certified by related agencies approved by the BOI • For software, program or information technology systems which are not developed by domestic developers, who are certified by related agencies approved by the BOI, or are developed by foreign developers. 	✓	✓
2.4 Expenditures on renting/using of cloud services or data centers <ul style="list-style-type: none"> • In Thailand • Overseas 	✓	✓

Incentives

1. Exemption of machinery import duties
2. 3-year corporate income tax exemption with a cap 100 percent of the investment capital (excluding cost of land and working capital on the enhancement). In this regard, the corporate income tax exemption of the revenue derived from the existing projects shall be granted.
3. The corporate income tax exemption period shall be started from the date of revenue derivation after the promotion certificate is issued and the operation start-up must be completed within 3 years as from the issuance date of the promotion certificate.



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

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.

- (1) Invest in upgrading machinery to modern technology to reduce energy consumption at the stipulated ratio.
- (2) Invest in upgrading machinery to utilize alternative energy at the stipulated ratio to the total energy consumption.
- (3) Invest in upgrading machinery to mitigate environmental impacts, namely reduction of waste,
- (4) Invest in upgrading machinery to mitigate the environmental impacts to reduce greenhouse gas emission at stipulated ratios. The projects must be registered and certified for the amount of greenhouse gas emission by Thailand Greenhouse Gas Management Organization (Public Organization).

Activities that are not eligible for Measure to improve the efficiency of energy conservation, alternative energy utilization, or environmental impact mitigation

- Activity 2.2.2.2 Health rehabilitation center
- Activity 5.2.4.2 Manufacture of cements *
- Activity 5.4.10 Coil center
- Activity 8.3.3 Co-working space
- Activity 10.1.1 Trade and investment Support Office (TISO)
- Activity 10.1.2 International Business Center (IBC)
- Activity 10.1.3 International Procurement Office (IPO)

*For Activity 5.2.4.2, applications can be submitted in upgrading machinery to mitigate the environmental impacts to reduce greenhouse gas emission only.

Incentives

1. Exemption of machinery import duties
2. 3-year corporate income tax exemption with a cap 100 percent of the investment capital (excluding cost of land and working capital on the enhancement). In this regard, the corporate income tax exemption of the revenue derived from the existing projects shall be granted.
3. The corporate income tax exemption period shall be started from the date of revenue derivation after the promotion certificate is issued and the operation start-up must be completed within 3 years as from the issuance date of the promotion certificate.



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

The applicants must submit an investment plan on raising the quality for international sustainability for example, Good Agriculture Practices (GAP), Forest Stewardship Council (FSC), Program for the Endorsement of Forest Certification Scheme (PEFCs), Food Safety Management System

Incentives

1. Exemption of machinery import duties
2. 3-year corporate income tax exemption with a cap 100 percent of the investment capital (excluding cost of land and working capital on the enhancement). In this regard, the corporate income tax exemption of the revenue derived from the existing projects shall be granted.
3. The corporate income tax exemption period shall be started from the date of revenue derivation after the promotion certificate is issued and the operation start-up must be completed within 3 years as from the issuance date of the promotion certificate.

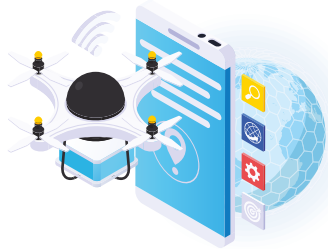
2. Efficiency Enhancement measures for Group B's New Investment Projects that Apply for Investment Promotion

The measures apply to:

Group B new investment projects in activities eligible for investment promotion by BOI announcement effective at the time of application submission, except for activities that are not eligible for investment promotion under this measure as follows:

- Activity 2.2.2.2 Health rehabilitation center
- Activity 3.6 Manufacture of general automobile
- Activity 3.7 Manufacture of motorcycles (except less than 248 cc engine displacement)
- Activity 3.8 Manufacture of battery electric vehicles (BEV), Plug-In hybrid electric vehicles (PHEV), hybrid electric vehicles (HEV), and BEV platforms (Only Plug-In hybrid electric vehicles (PHEV) and hybrid electric vehicles (HEV))
- Activity 5.2.4.2 Manufacture of cements
- Activity 5.4.10 Coil center
- Activity 8.3.3 Co-working space
- Activity 10.1.1 Trade and investment Support Office (TISO)
- Activity 10.1.2 International Business Center (IBC)
- Activity 10.1.3 International Procurement Office (IPO)

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Automation and Robotics



Industry 4.0



2.1 Efficiency Enhancement measure by Adoption of Automation and Robotics in Manufacturing or Services

The applicant must submit an investment plan in automation or robotics systems to support the manufacturing or servicing processes in the project.

Counting of Investment Value according to Efficiency Enhancement measure by Adoption of Automation and Robotics in Manufacturing or Services

Investments/Expenditures	Counted in Full Value	Counted as Half of the Value
1. Investments or expenditures on machinery and equipment	✓	
2. Investments or expenditures on software, programs or information technology, renting/using cloud services or data centers		
2.1 The investments or expenditures on software, program, or information technology integrated with machinery or equipment to control, oversee or support the manufacturing process.	✓	
2.2 Investments or expenditures on utilization of Artificial Intelligence (AI), machine learning or utilization of big data and data analytics	✓	
2.3 Investments or expenditures on software, program, or information technology systems for enterprise management: <ul style="list-style-type: none"> For software, program or information technology systems which are developed by domestic developers, certified by related agencies approved by the BOI For software, program or information technology systems which are <u>not developed</u> by domestic developers, who are certified by related agencies approved by the BOI, or are developed by foreign developers. 	✓	✓
2.4 Expenditures on renting/using of cloud services or data centers <ul style="list-style-type: none"> In Thailand Overseas 	✓	✓

Incentives

- Projects utilizing automation or robotics systems to support their manufacturing or servicing processes are eligible for a 3-year corporate income tax exemption at 50% of their investment, excluding the cost of land and working capital.
- Projects using machinery with linkages to or support domestic automation systems for at least 30% of the value of their automation or robotics systems are eligible for a 3-year corporate income tax exemption at 100% of their investment, excluding the cost of land and working capital.



2.2 Efficiency Enhancement Measure for Industry 4.0 Transformation

The applicant must submit an investment plan for efficiency enhancement to achieve Industry 4.0 transformation, as approved by the National Science and Technology Development Agency (NSTDA). The project must be implemented following the approved plans. Only investments in digital machinery and technology will be counted as efficiency enhancement for Industry 4.0 transformation according to the prescribed criteria in production and enterprise processes including implementations of:

- Automation and Network Technology
- Data Analytics and Smart Operation
- Digital technology adoption

Counting of Investment Value according to Efficiency Enhancement Measure for Industry 4.0 Transformation

Investments/Expenditures	Counted in Full Value	Counted in Full Value
1. Investments or expenditures on machinery and equipment	✓	
2. Investments or expenditures on software, programs or information technology, renting/using cloud services or data centers		
2.1 The investments or expenditures on software, program, or information technology integrated with machinery or equipment to control, oversee or support the manufacturing process.	✓	
2.2 Investments or expenditures on utilization of Artificial Intelligence (AI), machine learning or utilization of big data and data analytics	✓	
2.3 Investments or expenditures on software, program, or information technology systems for enterprise management: <ul style="list-style-type: none"> • For software, program or information technology systems which are developed by domestic developers, certified by related agencies approved by the BOI • For software, program or information technology systems which are <u>not developed</u> by domestic developers, who are certified by related agencies approved by the BOI, or are developed by foreign develop 	✓	✓
2.4 Expenditures on renting/using of cloud services or data centers <ul style="list-style-type: none"> • In Thailand • Overseas 	✓	✓

Incentives

A 3-year Corporate Income tax exemption at 100% of investment excluding the cost of land and working capital in the efficiency enhancement for Industry 4.0 transformation.



Related Announcement

- *Announcement of the Board of Investment No.15/2565: Measure for Industrial Upgrades towards Smart and Sustainable Industry date December 8, 2022.*
- *Announcement of the Office of the Board of Investment No. Por. 4/2565: Activities Not Eligible for Rights and Benefits According to the Announcement of the Board of Investment Announcement No. 11/2565, 12/2565, 13/2565, 14/2565, 15/2565 and 17/2565 date December 16, 2022.*
- *Relevant explanations from the office of the Board of Investment.*