

Guidelines for Completing Application for Promotion (F PA PP 01)

1. **Category...Activity.....:** Check for the relevant category and activity for products/services of the project applying for investment promotion in the Announcement of the Board of Investment (BOI) No. 9/2565 regarding Measures to Promote Investment in Industries That are Important to the Country's Development. Fill in the specific category and activity, including the most detailed sub-category available. For example, Category 1.1.2 Activity: Animal propagation or animal husbandry (refer to the details of activity categories in the current version of the Investment Promotion Guide or on the BOI website: <http://www.boi.go.th>).
2. Section 1. **Applicant:** An applicant may apply on behalf of a company, cooperative, foundation, or in the name of a person (further in this document referred to as "the company").

Item 1.1 In case a juristic person has not been established:

- Applying for Investment Promotion in the name of a natural person refers to the case where the company has not been registered or is in the establishment process at the time of application. The person must be a director authorized to sign on behalf of the company to be established in the future. (When the investment promotion is approved, the applicant must establish the company before applying for the promotion certificate, adhering to the equity holding, registered capital and Thai shareholding proportion as stipulated by the promotion conditions).
- The applicant, as a natural person, must attach information on the applicant's background and business profile.

Item 1.2 In case a juristic person has been established:

- Applying for investment promotion on behalf of a company refers to a case where the company has already been lawfully registered at the time of application. The registered company must possess a certificate issued by the Ministry of Commerce.
- If the company has operational results, attach the most recent financial statements (if available).

Item 1.3 Name of the applicant:

- If available, provide information about the business background, past business performance and details including the name of the parent company/group of companies, the date of establishment, the type of business conducted, the location, the number of employees, and the previous year's revenue.

Item 1.4 **Name of the representative to contact:** Provide details of the company's or the applicant's representative who will be a contact person for matters related to the investment promotion application of this project. The representative must have a **residence address in Thailand**. The representative must have the authority to act on behalf of the applicant, including providing project information, making decisions, and implementing changes that will have future binding effects on the project.

Note: If the company has been established, the Office will send the documents to the company's address. If the company has not been established, the Office will send the documents to the address of the person who is the applicant. In the case that the applicant's address changes without notifying the Office and the Office is unable to contact the applicant, the Office may return the application.

Item 1.5 **Shareholding structure:** Provide applicant's nationality (whether the company has been established or not) by completing the following:

- Specify the percentage of Thai nationality shareholders.
- Specify the percentage of shareholders with other nationalities.
- List the names of shareholders/investors in descending order of their shareholding, starting from the highest percentage, only for shareholders with a stake of at least 10%.

Item 1.6 **Employment statistics of the entire juristic person** (of both BOI-promoted and non-BOI-promoted activities) for the past 3 years (required only if the company has been established).

Item 1.7 Specify **the production capacity and operational performance of the entire juristic person** (of both BOI-promoted and non-BOI-promoted activities) for the past 3 years (only required if the company was established).

Item 1.8 **Net profit of the entire juristic person** (of both BOI-promoted and non-BOI-promoted activities) for the past 3 years (only required if the company was established).

3. **Section 2 Finance and Investment Plan**

Item 2.1 **Finance Plan**

- Classify the capital investment of the project by sources of funds. The total capital investment in this item must be equal to the total amount of capital investment specified in item 2.2, Investment Plan.

Item 2.1.1 **Registered Capital**

- Fill in the registered capital amount that presents the overview of the company.
- Provide the information only for a newly established company and an increase in registered capital.
- In the case of an increase in registered capital, provide the information after the completion of the capital increase process.
- If the company has operating results and will utilize retained earnings for investment purposes, the retained earnings on the current balance sheet must exceed the amount allocated for capital investment.

Item 2.1.2 **Loans** Provide information on sources of loans and credits that will be used for the project specified in item 2.2. Indicate the sources of loans and credit.

Item 2.2 **Investment Plan:** Provide investment values as follows:

- Cost of Construction:

1. For self-construction projects, the cost covers expenses for the construction of office buildings, plants, public utilities, and amenities, including renovation or improvement costs.
2. For building purchases or utilization of existing buildings, the cost may include either the value specified in the purchase agreement or the net book value as of the accounting period immediately preceding the submission of the application for promotion, as the case may be.
3. For rented buildings or plants, the cost encompasses the value stated in the rental contract, and the rental period must be longer than 3 years.

- Cost of Machinery, Installation, Test-run:

1. For machinery purchases, the cost covers the value of the machinery (including molds, jigs, fixtures, and in-factory transportation systems), including the costs of installation, test-run, and professional fees related to the machinery, such as

engineering and design fees. In the case of software businesses, e-commerce businesses, and service businesses, the cost includes expenses on computer hardware and software programs.

2. For hire-purchase or leasing arrangements, the cost includes the value specified in the hire purchase or leasing contracts.
3. For rented machinery, the cost encompasses the value specified in the rental contract and the contract period must be longer than 1 year.
4. For machinery granted free of charge by an affiliate company, the cost must be based on the value in the book of the granting company and converted by the exchange rate in effect on the application date.

- **Preliminary Expenses** include specifically expenses related to the establishment of a new company such as traveling expenses, lawyer fees, registration fees, and article of association fees.

- **Value of Other Assets** includes
 1. Office equipment and vehicles.
 2. Concession fees, concession certificate fees, and natural resource asset fees paid to the government.

- **Cost of Expertise** includes fees for patents, copyrights, know-how, trademarks, and rights of production.

- Working Capital refers to operating funds sufficient for the day-to-day activity of the company, such as raw material costs, labor expenses, and utilities, until revenue is generated from product sales. This must be in line with the estimated costs and profits provided in item 8.1.

(The valuation of investments shall comply with the Announcements of the Office of the Board of Investment No. 1/2545 regarding the Definition of Investment Capital and the Announcement of the Office of the Board of Investment No. 6/2561 regarding Investment Capital in Construction Items and other relevant announcements.)

4. Section 3 **Factory/Business Operation Location**. Specify at least the province in which the factory or business operation is located. If located in an industrial estate, specify the name of the industrial estate. If located in industrial zones, indicate the name of the company that owns the zone.

5. Section 4 **Details of Project**

Item 4.1 **Products and production capacity.** Fill in the information of products and production capacity applying for promotion as follows:

1. Column 1 – Products: Specify the product names of the project applying for promotion. The names should be generally understood and not specific names or brand names.
2. Column 2 - Maximum Annual Production Capacity: Calculate the maximum production capacity for all primary machinery invested in this project, as outlined in section 4.4, based on the operating hours specified in the working hour column, disregarding production plans or sales plans.
3. Column 3-Unit: Specify the unit of the products using SI units such as gram, kilogram, piece or unit, pair, set, meter, cubic centimeter, cubic meter, square meter, liter, carat, square yard, kilowatt-hour, and ton, etc.
4. Column 4 – Hours of Operation: Indicate the applicant's estimated hours of normal operation in terms of hours per day and days per year.

Note: The information provided in this section will impact the exercise of corporate income tax exemption privileges since the applicant will only be exempt from corporate income tax on income derived from the sale of products with the specified product names, units, and quantities not exceeding the maximum production capacity provided in the application for promotion.

Item 4.2 **Semi-finished products or by-products:** In the case that the project has semi-finished products or by-products, fill in the information as follows:

1. Column 1: Specify the semi-finished products or by-products obtained from the project.
2. Column 2: Specify the quantity of semi-finished products or by-products obtained from the project.
3. Column 3: Specify the unit of products using SI units such as gram, kilogram, piece or unit, pair, set, meter, cubic centimeter, square meter, liter, carat, square yard, kilowatt-hour, ton, etc.

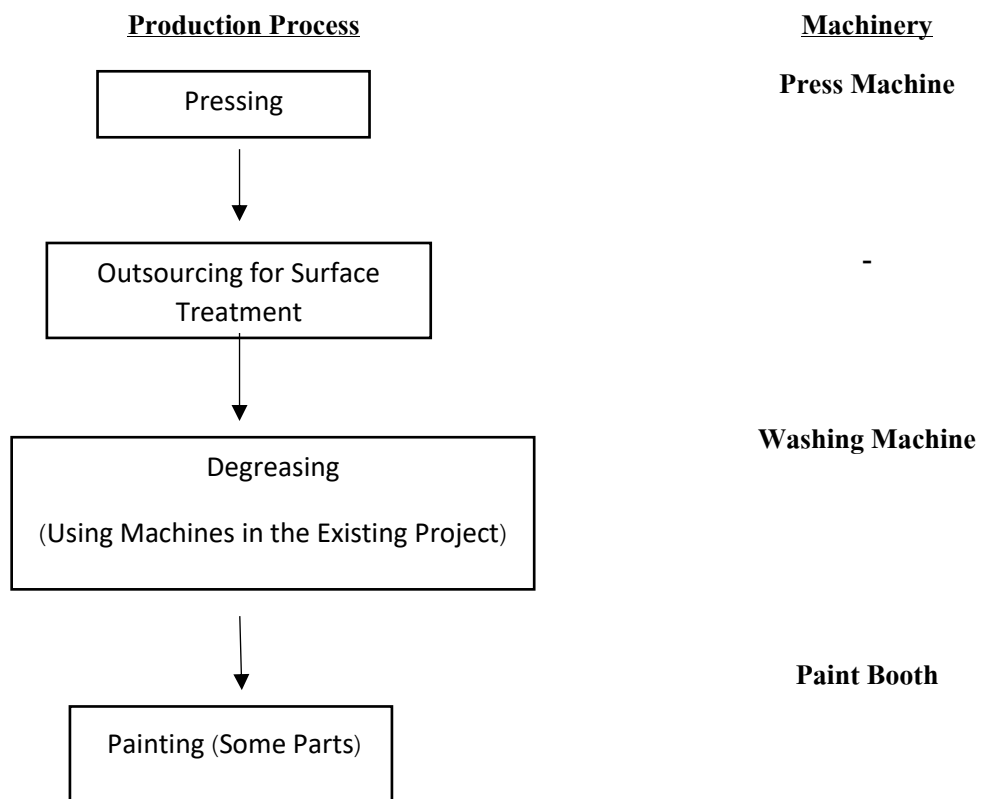
Item 4.3 **Detailed description of products, semi-finished products, and their usage:** Describe the product details, such as the applications, properties, and sizes. Specify the customs tariff code

for each product using at least 6 digits. The applicant may attach photographs, and catalogs, or bring along actual product samples for the project interview session.

Item 4.4 **Production Process.** Provide a flowchart depicting a comprehensive description of the production process. Explain each stage of the process in a clear and comprehensible manner and identify the main machinery utilized in each step.

- If any stage of the process involves outsourcing to manufacture the product, specify the outsourcing clearly in that step.
- If any stage of the process involves the use of machinery from an existing project, indicate this explicitly in that step.
- If a particular product model, type, or kind does not require processing at any stage, specify in that stage as "for some products or parts."
- If the applicant possesses a document that presents the production process in a different format and contains all the above-mentioned information, the applicant may substitute the flowchart with the document attached to the application.

Example: Production process for pressed metal parts



Item 4.5 List of **Main Machinery**: List main machinery that will be used in the project applying for promotion.

- Provide a list of the main machinery that will be used in the production process of the project. (If the number of machines exceeds the space provided, the applicant may attach a separate machinery list.)
- In the case of using used imported machinery that is older than 5 years, specify every item of the machines. (If the list of machinery exceeds the space provided, the applicant may attach a separate list of machinery.)
- In the case of using used machinery imported from abroad, the applicant must provide a machinery efficiency certificate issued by a recognized institution.
- In the case of using used machinery from Thailand, the project will **not be eligible for promotion**.
- In the case of importing machinery from abroad, specify the total value on a C.I.F. basis. In the case of using domestic machinery, specify the purchase price within the country.
- In the case of utilizing machinery from a previous project in the project applying for promotion, provide the details of the machinery including cost, maximum production capacity, current production capacity, and the planned production capacity for the project applying for promotion.
- Machinery Manufacturing Year refers to the year in which the machinery was first produced or assembled, disregarding any years or dates linked with subsequent rebuilding, overhauling, or reconditioning.
- If a project, with investments exceeding 500 million baht excluding the cost of land and working capital, is unable to import all machinery within 30 months from the date of the investment promotion certificate issuance, the applicant must provide the anticipated date for complete machinery importation and submit a machinery import plan to the BOI for review and approval of an appropriate timeframe. No extensions for machinery importation will be granted.

Note: Manufacturing capacity and process play a critical role in determining the number and types of machinery, as well as the quantity and types of raw materials, needed to be eligible for tax benefits. Therefore, the applicant must provide a comprehensive list of machinery and raw materials that align with the specific manufacturing process.

Item 4.6 Environmental protection plan (in brief)

- Fill in the information on the pollution caused by the manufacturing of products of the project applying for promotion, including the pollution quantity and the treatment methods, as outlined in the application form.
- Check the box in the upper line if the project is required to prepare an Environmental Impact Assessment (EIA) report. To verify if the business or product requires an EIA report, visit the website: <http://www.onep.go.th>.
- Check the box in the next lower line if the company's existing business has been certified according to ISO 14000 standards (and attach a copy of the ISO 14000 certification).
- Activities specified in the note section of item 4.6 are required to submit a completed preliminary evaluation of environmental impact form (F PA PP 15). (The form is available for download at <http://www.boi.go.th>) This requirement does not apply to projects in industrial estates or industrial zones, projects that must compile an environmental impact report, or expansion phases for existing projects that have already received ISO 14000 certification.

6. Section 5 Employment: Specify the number of employees in the year the project starts in full operation or the number of additional employees to be employed specifically for this project. This does not include employees in the existing project (if any).

7. Section 6 Market

Item 6.1 Market Plan - Indicate the sales proportion as a percentage and provide an approximation for both domestic and international sales (the sum of both proportions should equal 100 percent).

- Domestic Sales refer to sales to domestic customers for use within the country only.

- Indirect export includes sales to the project's main customers within the country, where the products are used for manufacturing goods for export, as

well as sales through traders for export. In such cases, specify the sales proportion in the column for indirect exports.

- Direct export refers to direct sales to overseas customers.

Item 6.2 **Major Customers:** Provide the names and countries of the project's main customers. If the customers cannot be identified, the applicant may specify categories of customers, such as convenience stores, exporters, importers, food industry customers, etc.,

8. Section 7 **Operation Plan**

Item 7.1 **Factory building/Business operation facility:**

- Specify month and year for the purchase/construction/improvement/rental of the factory building/business operation facility.
- In the case of using a shared building with an existing project without modifying the factory/operating facility, select the box for "Using the same building as the existing project."

Machinery: Specify the month and year for purchases of local/overseas machinery.

Production: Indicate the month and year that the project will start production.

Item 7.2 **Production Quantity:** The applicant's estimated production plan for the first 3 years of the operation.

- The annual production quantity must be based on the calendar year or accounting period, starting from the commencement date of production, and not exceed the maximum annual production capacity specified in item 4.1.
- If the production quantity for the third year is less than 50% of the maximum production capacity specified in item 4.1, the applicant must attach a production plan for the next three years until the sixth year of production.
- If the list of products exceeds the available input fields in the form, additional supporting documents may be appended.

Item 7.3 **Raw Materials and Essential Materials**

- Indicate names of raw materials and essential materials to be used in the project applying for promotion. Use general names without abbreviations, specific names, or trade names. Ensure that the list corresponds to the production process described in Item 4.4.

- The quantity of raw materials and essential materials must match the production quantity specified in Item 7.2.

9. Section 8. **Estimated project's production costs and profits for the first three years of operation**

Item 8.1 **Revenue and Production Costs:** Provide estimated costs and profits for the manufacture of products applying for promotion, based on following guidelines:

- **Revenue:** Include revenues from selling products of the project applying for promotion, classified in proportions following the market plan specified in Item 6.1.
- **Raw Materials:** The values of raw materials must be equal to the total raw material values for each year as specified in Item 7.3.
- **Labor Costs:** Include salaries and wages of all employees in Item 6.5, including salaries of executives (executive salaries must be separated from selling and administrative expenses). Bonuses, advance benefits, etc., must be included in the "other costs".
- **Public Utility Costs:** Refer to costs of water, electricity, telephone, and fuel/energy used in the project's production.
- **Depreciation Costs:** Calculate in accordance with the Revenue Code, separating depreciation expenses for buildings and factories from those for machinery and equipment.
- **Selling and Administrative Expenses:** These must comply with the accounting principles and exclude executives' salaries.
- **Technical Fees and Royalties:** Include annual patent fees, copyright fees, know-how fees, trademark fees, and production rights fees.
- **Training Expenses:** If the proposed project includes training activities, specify the costs.
- **R&D expenses:** If the proposed project involves research and technology development, include R&D expenses.

Item 8.2 **Ex-factory price per unit**

- Calculate the production costs, profits, and factory prices in the third year of production.
- Fill out each field of the "Products" row with the product names of the project applying for promotion. If there are multiple products, provide details of each product. If the available fields are not sufficient, attach additional supporting documents.
- Fill the unit of the product in the field 'baht/.....', for example, 'baht/piece'.

10. Item 9 **Merits of the Project**

- If the project includes plans for the development of technology, human resources, local suppliers with at least a 51 percent Thai shareholding (through training or technical assistance), or energy conservation measures, provide details of the relevant areas. If the provided fields are insufficient for the details, attach additional supporting materials.

11. Item 10 Provide **additional information for activities** in required supporting documents for the evaluation process such as:

- Supplementary document for activity 1.3.1 Plant or animal breeding (that are not included in biotechnology activity)
- Supplementary document for activity 1.3.2 Manufacture or service of machinery and equipment of modern agricultural and modern agricultural system (only for sub-activities 1.3.2.1 and 1.3.2.2)

12. Item 11 **Set up an Application Interview Session at the Office of the Board of Investment**

- Fill in the date and time when the applicant wishes to present the project to the Office in the "Proposed Application Interview Session" field. Fill in all three fields to provide options for the officials. Having selected a date, the officials will contact the representative as specified in item 1.2 for further arrangements.
- For environmental interview, required only for activities that must submit the Preliminary Environmental Impact Assessment (F PA PP 15) mentioned in the footnote of item 4.6, fill all 3 fields as mentioned above.

- 13.
- In the case that a representative acts on behalf of an applicant to apply for promotion, both the applicant and the representative must sign. The applicant must be the same person as stated in item 1.1, and the representative must be the same person as stated in item 1.2. The representative must be authorized as the attorney by the authorized person of the company. (A Power of Attorney must be attached along with the application.)
 - If the application is made on behalf of an established company, the name of the applicant must be an authorized person acting on behalf of that company, as stated in the current company's Articles

of Association. Alternatively, the applicant must be authorized as the attorney by the authorized person of the company (A Power of Attorney must be attached along with the application)

- In the case of an established company, the authorized person must sign and affix the company's official seal appropriately as registered.

The applicant must verify that all the required information and supporting documents are complete, according to the list of supporting documents for the evaluation of the application for promotion.

Prepared by...Investment Services Center (June 2023)

