Investment Promotion Measures
Supporting Economic Transformation

Duangjai Asawachintachit
Secretary General
Thailand Board of Investment
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Focus of Current Investment Promotion Policies

Technology and Innovation
- Research and development
- Targeted industries/services
- Value-added creation

People
- Human capital
- Foreign talents

Productivity Enhancement
- Upgrading of existing companies
- Development of SMEs

Development of targeted areas
- Eastern Economic Corridor (EEC)
- Border Special Economic Zones
- Deep South
- Disadvantaged areas
BOI Investment Incentive Scheme

Product-based
- Bio & Medical Industries
- Advanced Industries
- Basic & Supporting Industries
- High Value Services
- Creative & Digital Industries

Technology-based
- Biotechnology
- Nanotechnology
- Advanced Material Technology
- Digital Technology

Merit-based
- Research & Development (R&D)
- Support academic/research institution, or technology and human resource development fund
- IP licensing fee
- Advanced technology training
- Development of Local suppliers
- Product and packaging design

Area-based
- EEC (3 provinces)
- SEZ (10 provinces)
- Southern Border (4 provinces, 4 districts)
- 20 Provinces with the Lowest per Capita Income
- Industrial Estates/Zones
- Science and Technology Parks
  (Science Park, Food Innopolis, Space Krenovation Park: SKP)

Agenda-based
- Productivity Enhancement
- MAI Listing Support
- SMEs Promotion
- Support to Small and Community Enterprises
Product-Based Incentives
Incentives are largely based on several key factors i.e. level of technology, role in supply chain.

- Bio-based & Medical
- Advanced Industries
- Basic & Supporting
- High Value Services
- Creative & Digital

Incentives

- A1
- A2
- A3
- A4
- B1
- B2

CIT exemption

- 8 years
- 0 year
Technology-Based Incentives
Tax Incentives for Technology-Based Investments

Additional incentives for investment in the development of Core Technologies in which Thailand has potential to enhance the country’s overall competitiveness and industries. Projects must be engaged in technology transfer by cooperating with educational/research institutions e.g. Technology Research Consortium.

CIT Exemption for 10 years

Targeted Core Technologies

- Biotechnology
- Nanotechnology
- Advanced Material Technology
- Digital Technology

Enabling Services

1. Research and Development (R&D)
2. Vocational Training Centers (only in S&T)
3. Electronics Design
4. Engineering Design
5. Scientific Laboratories
6. Calibration Services

For 2-6, only projects that utilize advanced technology, as approved by the Board.
Eligible for “duty exemptions on materials imported for R&D purposes and related testing” for research and development activities, biotechnology activities (only with R&D), and testing related to R&D with the following guidelines:

- Materials imported for R&D purposes or related testing, e.g. prototype materials, chemicals etc.
- Eligible for a 1-year exemption period, which can be renewed annually.
Merit-Based Incentives
Merit-Based Incentives-Optional Scheme

Product-Based Incentives

Technology-Based Incentives

Merit-Based Incentives

Total CIT Exemption -> Maximum 13 Years
## Merit-Based Incentives

<table>
<thead>
<tr>
<th>Types of eligible investments/expenditures</th>
<th>Additional Cap (% investment capital / expenditure incurred)</th>
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<tbody>
<tr>
<td>1. R&amp;D: In-house, outsourced in Thailand or joint R&amp;D with overseas institutes</td>
<td>300%</td>
</tr>
<tr>
<td>2. Donations to technology and human resource development funds, educational institutes, specialized training centers, R&amp;D institutes or governmental agencies in the S&amp;T field</td>
<td>100%</td>
</tr>
<tr>
<td>3. IP acquisition/licensing fees for commercializing technology developed in Thailand</td>
<td>200%</td>
</tr>
<tr>
<td>4. Advanced technology training, including digital training such as IoT</td>
<td>200%</td>
</tr>
<tr>
<td>5. Development of local suppliers with at least 51% Thai shareholding in advanced technology training and technical assistance</td>
<td>200%</td>
</tr>
<tr>
<td>6. Product &amp; packaging design: In-house or outsourced in Thailand</td>
<td>200%</td>
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### Additional CIT incentives depending on investment/expenditure ratio (%)

<table>
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<tr>
<th>% of qualified investments/expenditures to combined revenue for the first three years</th>
<th>Add. CIT exempt.</th>
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<tbody>
<tr>
<td>1% or ≥ 200 MB.</td>
<td>1 year</td>
</tr>
<tr>
<td>2% or ≥ 400 MB.</td>
<td>2 years</td>
</tr>
<tr>
<td>3% or ≥ 600 MB.</td>
<td>3 years</td>
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Area-Based Incentives
Targeted Areas

- **Eastern Economic Corridor (EEC)**
  (Chachoengsao, Chonburi and Rayong)

- **Special Economic Development Zones (SEZs)**
  (Tak, Sa kaew, Trat, Mukdahan, Songkla, Nongkhai, Narathiwat, Chiang Rai, Nakhon Panom, Kanjanaburi: 10 provinces, 23 districts, 90 sub-districts)

- **Border Provinces in Southern Thailand**
  Narathiwat, Pattani, Yala and Satun and 4 districts (Jana, Na Thawee, Saba Yoi, Dhepha) in Songkhla

- **The 20 Poorest Provinces**
  Kalasin, Chaiyaphum, Nakhon Phanom, Nan, Bueng Kan, Buri Ram, Phrae, Maha Sarakham, Mukdahan, Mae Hong Son, Yasothon, Roi Et, Si Sa Ket, Sakon Nakhon, Sa Kaew, Sukhothai, Surin, Nong Bua Lamphu, Ubon Ratchatani and Amnatcharoen)
New Investment Promotion Measures in the EEC  
-starting January 1, 2018

- Applications must be submitted by the end of 2019
- Must have cooperation with academic institution / research institution / Center of Excellence to develop human resource and improve the level of technology

<table>
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<tr>
<th>Area-based</th>
<th>Condition</th>
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<tbody>
<tr>
<td>1. Promoted Zones for Specific Industries</td>
<td>No. of apprentices:</td>
</tr>
<tr>
<td>(EECi, EECd, EEC Aerotropolis)</td>
<td>≥ 10% of all employees hired or at least 50</td>
</tr>
<tr>
<td>2. Promoted Zones for Specific</td>
<td>No. of apprentices:</td>
</tr>
<tr>
<td>Targeted industries</td>
<td>≥ 5% of all employees hired or at least 25</td>
</tr>
<tr>
<td>3. Other Industrial Estates/ Industrial</td>
<td></td>
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<tr>
<td>Parks in EEC</td>
<td></td>
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</table>

Note: Projects applied for this measure shall not receive additional incentive under merit on Industrial Area Development.
Targeted Industries in the EEC

- S-Curve Industries
- Activities Supporting S&T
- Basic Infrastructure

116 Industries in Total

Promoted Zones for Specific Industries

Targeted Industries:
Additional 2 years of CIT exemption (could be more than 8 years) + 50% CIT reduction for 5 years

Other Industries:
Additional 3 years of 50% CIT reduction

Promoted Zones for Targeted Industries

Targeted Industries:
Additional 5 years of 50% CIT reduction

Other Industries:
Additional 3 years of 50% CIT reduction

Other Industrial Estates / Industrial Parks

Targeted Industries in the EEC:
Additional 5 years of 50% CIT reduction
Productivity Enhancement Measures
Productivity Enhancement Measure

- Replace or upgrade machinery for energy conservation, alternative energy utilization, reduction of environmental impacts
- Replace or upgrade machinery for efficiency enhancement, e.g. Automation, Digitalization
- Invest or spend in R&D / advanced engineering designs
- Upgrade production line to acquire international agricultural industrial standard
Productivity Enhancement Measure

Eligibility

- Applicants must be existing businesses, whether BOI or non-BOI promoted (except certain businesses).
  - In the case of non-BOI status, the company must conduct a BOI-eligible activity.
  - In case of BOI status, CIT exemption must have already expired or has never been granted.
- Minimum investment of 1 million Baht (excluding cost of land and working capital) or 0.5 million for SMEs

Incentives

- Exemption of import duties for machinery
- 3-year CIT exemption on the revenue of an existing project with the total tax exemption amount capped at 50% of investment in productivity enhancement (In case of investment in automation, the cap will be raised to 100% if minimum 30% local industrial linkages are reached.)
- Corporate income tax exemption period starts from the date of investment promotion certificate.

Requirements

- Investment must be completed within 3 years from the date the promotion certificate is issued.
- Required KPIs include such productivity indicators as reduced unit direct costs, reduced processing time, reduced waste and reduced cycle time.
- Applications must be submitted by the end of 2020
MAI Listing Support
**Measures to Support MAI Listing**

**Incentives**

- Ceiling for corporate income tax exemption to be lifted to 200% of the actual investment
- Incentives to be granted to all the projects under the listed company

**Criteria**

1) Companies must be listed on MAI and apply for this measure by December 2020.
2) Eligible projects must be approved before the company’s listing on MAI and must have remaining corporate income tax exemption benefits.
SMEs
Promotion Measure
SMEs Promotion Measure

Thai majority ownership

Total fixed assets or investment worth no more than 200 million baht.

Special Criteria

• **500,000 THB** of the minimum capital investment (excluding cost of land and working capital)
• Local used machinery can be used in the project (maximum 10 MB)
• New investment in core machinery must be at least 50% of the project’s total machinery cost.

Incentives

➢ CIT Exemption based on products with ceiling equivalent to 200% of investment
➢ Criteria in granting merit-based incentives are relaxed.
Support to community enterprises
Measure to support to community enterprises

**Upstream**
- Biological fertilizers, organic fertilizers, nano-coated organo chemical fertilizer and bio-pesticides
- Plant or animal breeding
- Cold storage and cold storage transportation

**Midstream**
- Primary processed rubber
- Fuel from agricultural products

**Downstream**
- Rubber products
- Food and beverages
- Grading, packaging and storage of plants, vegetables, fruits or flowers
- Products from agricultural waste
- Natural extracts or products from natural extracts

**Support**
- Trading Center for agricultural goods
Measures to support small or community enterprises

Scenario 1
Investment by small enterprises

**Criteria**
- Minimum investment of 500,000 baht
- Thai majority shareholding
- Net fixed assets or investments of not more than 50 million baht
- Local second-hand machinery can be used

**Incentives**
Corporate income tax exemption for 5 or 8 years with the ceiling equivalent to 200% of investment

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Scenario 2
Support to community enterprises

**Criteria**
- Support worth at least 1 million baht (such as machinery, construction costs)
- Cooperation with local authorities/co-operatives/community enterprises
- Companies providing support being in an activity eligible for BOI promotion and not being tax holidays

**Incentives**
3-year corporate income tax exemption with the ceiling equivalent to 100% of support to community enterprises
New Services
New Services

- Single window for visas and work permits
- SMART Visa
The Smart Visa Program is intended to attract experts, senior managers, and investors to work or invest in technology companies to help develop the 10 targeted industries which will, in turn, drive technology and innovation in Thailand.

Taking Thailand to New Heights with Foreign Talents and Technology

- Smart Electronics
- Next-Gen Automotive
- Affluent, Medical & Wellness Tourism
- Biofuels & Biochemicals
- Automation & Robotics
- Aviation & Logistics
- Food for the Future
- Agriculture & Biotech
- Medical Hub
- Digital
Targeted Groups and Benefits of SMART Visa

- Maximum 4-year visa, but not exceeding the employment contract term (1 year for startups renewable for another 2 years)
- No work permit required
- 90-day reporting to the Immigration extended to 1 year
- No re-entry permit required
- Spouse and children granted permission to stay in Thailand
- Spouse granted permission to work with no work permit
Thank you!