

# INVESTMENT POLICIES

## WHY Thailand ?



1. Strategic Location & Connectivity



2. Strong Economic Fundamentals



3. Business-friendly Environment



4. Excellent Infrastructure



5. Attractive Incentives

### Revised Investment Promotion Act (effective as of 25 Jan 2017)

Exemption of CIT up to 13 years for R&D, advance technology and innovation

50% reduction of CIT up to 10 year

Investment Tax Allowance

Special Packages for targeted core technology

100-300% tax deduction for R&D expenses and technology and workforce development

### Competitiveness Enhancement Act (effective as of 14 Feb 2017)

Exemption of CIT up to 15 years

10,000 million Baht matching fund for targeted industries

Import duty exemption

All other privileges under old and revised Investment Promotion Act

### The EEC Act (enter into force on as of 15 May 2018)

Exemption from CIT for up to 13 years and 17% personal income tax which is the lowest in ASEAN

Matching grants for investment, R&D, innovation, human resource development for targeted industries

Smart Visa Issuance for Talents, Foreign Investors, Foreign Executives and Startups

International university establishment in high technology field

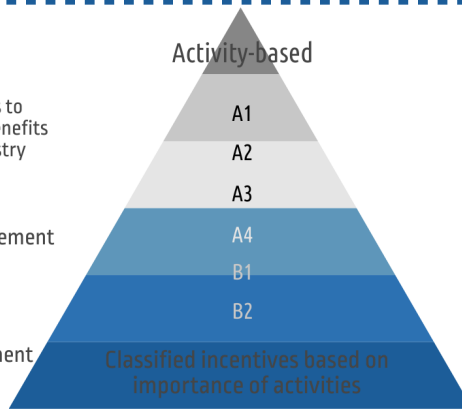
## Incentives (BOI)

Merit-based

Grant additional incentives to encourage investment that benefits the country or overall industry

1. Competitiveness Enhancement
2. Decentralization
3. Industrial Area Development

Activity-based



including...

0-8 years of CIT Exemption

300% tax deduction on R&D investment

Smart Visa for investors/experts/startups

Exemption of import duties on machinery

## Tax and Non-Tax Incentives

## Special Economic zones (SEZ)

### Super Clusters

+ many more

INCENTIVES - 8 years of CIT Exemption +50% reduction for further 5 years



Food Innopolis



Digital Parks



Automotive and Parts



Eco-friendly Petrochemicals and Chemicals



Medical Hub



Electrical Appliances, Electronics and Telecommunication Equipment

## SEZ's border provinces

Chiang Rai  
Tak  
Kanchanaburi  
Nong Khai  
Nakhon Phanom  
Mukdahan  
Sa Kaeo  
Trat  
Song Khla  
Narathiwat

## Thailand Plus Package

### Special Investment Measures

Objectives:  
To attract more FDI esp. investments from companies seeking to relocate as a result of trade war

Additional Incentives

CIT reduction

50%  
5 Years

### Criteria

1. Enhanced investment incentives of BOI to projects that:
  - apply for investment promotion by **the end of 2020**
  - have in place actual investment worth **≥ 1 billion THB** (around 32.26 million USD) **by the end of 2021**.
2. Establishing a one stop service to service investors
3. STEM manpower development
4. Automation investment support

## Other Clusters

INCENTIVES - 3-8 years of CIT Exemption +50% reduction for further 5 years

### Targeted Industries

Each zone with different targeted activities depending on competencies



1. Agricultural, fishery and targeted industries



7. Automotive, machinery and parts



2. Ceramic products



8. Electrical appliances and electronics



3. Textile, garment and leather industries



9. Plastics



4. Manufacture of furniture



10. Medicine



5. Gems and jewelry



11. Logistics



6. Medical equipment



12. Industrial estates/zones



13. Tourism related industry

# BOI's Responsive Measures to COVID-19

## 1. Measure to promote investments in the medical sector

Accelerate investments in the medical sector



50% reduction of corporate income tax (CIT) for an additional 3 years



Qualified investments in the medical sector



Projects applying for promotion between 1 Jan and 30 Jun 2020

Distribution or donation domestically of at least 50% of the output must take place in 2020 – 2021

Adjust the benefits granted for the production of raw materials used in the manufacture of medical products



Pharmaceutical grade alcohol production can now be entitled to an 8-year corporate income tax exemption



The production of non-woven fabric used as raw materials for the production of medical masks or medical devices will receive 5-year corporate income tax exemption

Support the adjustment of existing production lines to manufacture medical devices or parts



Exemption of import duties on machinery on the condition that the equipment is imported within 2020 and the application for production line adjustment is filed by Sep 2020

## 2. Measure to mitigate impact on BOI promoted businesses



Temporary relaxation of investment conditions and extend deadlines in cases such as the duty-free importation of machinery and the full operation start-up



Temporary relaxation of waivers for applications for temporary cessations of operations for a period of more than two months

Approved on 13 April 2020

## 3. Measure to enhance productivity



Replace or upgrade machinery for energy conservation, alternative energy utilization, or 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



Exemption of import duties on 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



Applications must be submitted by 30 Dec 2020