



Legal Alert

Deloitte Legal – Representing tomorrow

National Competitiveness Enhancement Act for Targeted Industries B.E. 2560 (A.D. 2017)



The National Competitiveness Enhancement Act B.E. 2560 (A.D. 2017) ("**the Competitiveness Enhancement Act**") came into effect on 14 February 2017 and the details can be summarized as follows:

Targeted industries entitled to incentives under the Competitiveness Enhancement Act are industries relating to the national capacity in providing benefits to the Thailand economy and increase Thailand's sustainable national competitiveness. Targeted industries must be a **new** industry that has never been produced or serviced in the country or alternatively must be an industry that **uses high technology or high knowledge** in manufacturing to create development and promotion of innovation.

Characteristic activities of the targeted industries, including policies, procedures, and conditions to grant the benefits from the Competitiveness Enhancement Act will be in accordance with an announcement of the Policy Committee ("**the Policy Committee**") that will be announced accordingly.

The incentives from the Competitive Enhancement Act are as follows:

1. Incentives from the Investment Promotion Act but does not include incentives on exemption or deduction of Corporate Income Tax ("**CIT**").

2. Incentives regarding CIT according to the Competitiveness Enhancement Act are as follows:
 - CIT exemption on net profits from conducting activity of targeted industry **not exceeding the maximum of 15 years** from the date of first income derived from such activity;
 - Deduction of annual loss during the period of receiving CIT exemption from net profits accrued after the expiration of the CIT exemption period not exceeding 5 years from the expiry date of such period. Such deductions can be deducted from net profit of any one or multiple years; and
 - Dividends from targeted industries is exempt from CIT computation throughout the period the promoted person receives CIT exemption, including paid dividends within 6 months from the last date of CIT exemption period.
3. The Policy Committee may consider subsidizing the promoted targeted industry in order to support the cost of research and development, innovation support, or targeted industry specialist development provided that the promoted person is able to comply with the conditions to be prescribed by the Policy Committee.

Once all matters regarding targeted industry activities have been defined then if the Nomination and Negotiation Committee deem that there is an investor in a targeted industry who is eligible to receive the incentives that are available under the Competitiveness Enhancement then the Thailand Board of Investment (“**BOI**”) will notify the investor to enter into the negotiation process by submitting the proposed project and investment plan to the BOI and the Policy Committee accordingly.

The investor is also able to submit the application for investment promotion with details of the project to the BOI directly for consideration.



Get in touch

For more information on this topic, please contact:

Pornpun Niyomthai

Director, Tax & Legal Services

Tel: +66 (0) 2034 0000 ext. 10404

Email: pniyomthai@deloitte.com

Walailak Supisan

Senior Manager, Tax & Legal Services

Tel: +66 (0) 2034 0000 ext. 11037

Email: wsupisan@deloitte.com



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/th/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 245,000 professionals make an impact that matters, please connect with us on [Facebook](#), [LinkedIn](#), or [Twitter](#).

About Deloitte Southeast Asia

Deloitte Southeast Asia Ltd – a member firm of Deloitte Touche Tohmatsu Limited comprising Deloitte practices operating in Brunei, Cambodia, Guam, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam – was established to deliver measurable value to the particular demands of increasingly intra-regional and fast growing companies and enterprises.

Comprising 290 partners and over 7,400 professionals in 25 office locations, the subsidiaries and affiliates of Deloitte Southeast Asia Ltd combine their technical expertise and deep industry knowledge to deliver consistent high quality services to companies in the region.

All services are provided through the individual country practices, their subsidiaries and affiliates which are separate and independent legal entities.

About Deloitte Thailand

In Thailand, services are provided by Deloitte Touche Tohmatsu Jaiyos Co., Ltd. and its subsidiaries and affiliates.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte network") is, by means of this communication, rendering professional advice or services. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2017 Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.

To no longer receive emails about this topic please send a return email to the sender with the word "Unsubscribe" in the subject line.