



Legal News

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Inside this issue :

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- Board of Investment Announcement Re: Investment Promotion in Manufacture of Electric Vehicles, Parts, and Equipment
- Notification of the Competent Officer on the Rules and Practices regarding Currency Exchange (No. 24)

Board of Investment Announcement Re: Investment Promotion in Manufacture of Electric Vehicles, Parts, and Equipment



On 3 May 2017 the Thailand Board of Investment (“BOI”) issued announcement No.5/2560 Re: Investment Promotion Policy in Manufacture of Electric Vehicles, Parts, and Equipment. The purpose of the announcement is to stimulate investment in manufacturing of electric vehicles which is valuable area for the enhancement of Thailand’s technology in the automotive sector. The BOI has set out amendment of eligible activities, conditions, rights and benefits on exemption of corporate income tax (“CIT”) as follows:

- **Manufacture of Parts for Hybrid, Battery Electric Vehicle (BEV) and Plug-in Hybrid Electric Vehicles (PHEV) (4.8.3)**

Amending for covering various activities, such as, manufacture of portable electric vehicle charger, electric circuit breaker, the development of EV smart charging system.

Rights and Benefits: 8 year CIT exemption (not exceeding 100 percent of the investment capital excluding cost of land and working capital) and 5 years CIT deduction from the expired date of the CIT exemption for activity which is located in Eastern Economic Corridor area

- **Manufacture of Hybrid Electric Vehicles – HEV and parts (4.16)**

Rights and Benefits: No CIT exemption but there is exemption/deduction of import duties on machinery, raw materials, and essential materials.

- **Manufacture of Plug-In Hybrid Electric Vehicles – PHEV and parts (4.17)**

Rights and Benefits: 3 year CIT exemption (not exceeding 100 percent of the investment capital excluding cost of land and working capital)

- **Manufacture of Battery Electric Vehicle – BEV (4.18)**

Rights and Benefits: 5 year CIT exemption (not exceeding 100 percent of the investment capital excluding cost of land and working capital)

- **Manufacture of Battery Electric Bus and parts (4.19)**

Rights and Benefits: 3 year CIT exemption (not exceeding 100 percent of the investment capital excluding cost of land and working capital)

- **Electric Gas Station for Electric Vehicles (7.27)**

Rights and Benefits: 5 year CIT exemption (not exceeding 100 percent of the investment capital excluding cost of land and working capital)

Notification of the Competent Officer on the Rules and Practices regarding Currency Exchange (No. 24)



On 24 May 2017 the Bank of Thailand announced the Notification of the Competent Officer on the Rules and Practices regarding Currency Exchange (No. 24). The primary purpose of the Notification is to relax regulations on currency exchange in order for the resident to conduct foreign currency transactions more conveniently and to decrease the documentation requirements. The important issues are summarized as follows:

1. To ease the regulations on purchase on exchange of foreign currency as follows:
 - 1.1 Allows purchase and exchange foreign currency for payment of product purchased from the non-resident provider without having to import or receive of delivery of the product in Thailand.
 - 1.2 Allows purchase and exchange foreign currency for remittance of money resulting from payment of the right in regards to immovable property, e.g. payment from the right to purchase or right of leasehold of immovable property.
2. To revise the documents requirement for the purchase or exchange of foreign currency for various purposes such as investment in or lending to business abroad, repayment of principal and interest to abroad, remittance of dividend or profit to the foreign head office. The required documents to support purchase or exchange foreign currency can be in copy or electronic form except for the form required by the competent officer which must be in original or electronic form similar to the original only.
3. To ease the purpose of Thai Baht deposit to Non-Resident Baht Account (NRBA) as follows:
 - 3.1 Thai Baht which is the credit from the authorized juristic person can be deposited to NRBA.
 - 3.2 Thai Baht that relates to interest rate derivative or Thai Baht interest rate index can be deposited to Non-Resident Baht Account for Securities (NRBS).

This Notification became effective as from 5 June 2017.

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