



Legal News

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Measure to Promote Investment in Eastern Economic Corridor

On 3 August 2018, the Thailand Board of Investment (“BOI”) issued the Announcement of the BOI No. 6/2561 Measure to Promote Investment in Eastern Economic Corridor (EEC) (“BOI Announcement”) which repeals the Announcement of the BOI No. 3/2561 dated 31 January 2018. The objective of the BOI Announcement is to facilitate investment in the targeted industries in the Eastern Economic Corridor and to encourage private sectors to participate in human resource development. A summary of the details set forth in the Announcement are as follows: -

- The following areas which are situated in Eastern Economic Corridor are regarded as **investment promotional zone**:
 - Special services promotional zone, comprising Eastern Aviation City or EEC-A, Eastern Economic Corridor of Innovation or EECi, Digital Park Thailand or EECd;
 - Investment promotion zone for targeted industrial activities; and
 - Industrial estate or Industrial promotional zone
- The condition that there must be collaboration with the educational institution, research organization or center of excellence as stipulated by the BOI to develop human resource in the field of science and technology.
- Targeted and non-targeted business activities in each promotional zone in the EEC are to receive additional benefits according to this BOI Announcement.

- Additional tax incentives granted under this measure for investing in targeted and non-targeted activities in each promotional zone; for example, receiving additional corporate income tax ("CIT") exemption for another 2-4 years, and additional 50 percent CIT reduction calculated on net profits for another 3-5 years after the period of CIT exemption has elapsed.
- In cases where a BOI promoted company receives rights and incentives in CIT exemption for more than 8 years, the promoted company will not be eligible to receive 50 percent CIT reduction calculated on net profits generated from investment.

This measure applies to the applications for investment promotion submitted from 1 January 2018 to 30 December 2019.

Announcement of the Ministry of Finance - Peer-to-Peer Lending Platform

On 20 September 2018, the Announcement of the Ministry of Finance: A business required to get a permission under Section 5 of the Announcement of the Revolutionary Council No. 58 (Re: Peer-to-Peer Lending Platform) was published in the Government Gazette. A summary of the details are as follows: -

- The "Peer-to-Peer Lending Platform" means an electronic platform ("Platform") which can be a website, application or any other similar electronic platforms, served by a platform operator in order to support credit financing among persons ("Peer-to-Peer" or "P2P").
- The Lender in the Platform can be either a natural person or juristic person, but excluding a commercial bank, a finance company and a credit foncier company according to the laws in relation to financial institution business, or other financial institutions under other specific laws ("Financial Institution"). The borrower must be a natural person only. An interest rate for the P2P loan shall not exceed the rate as specified by the Civil and Commercial Code.
- The Platform operator is required to get the permission to operate the business from the Ministry of Finance by submitting a request to the Bank of Thailand ("BOT"), and must be a juristic person, either a limited company or public limited company, registered in Thailand and must not be the Financial Institution. Moreover, the applicant must have paid-up registered-capital of not less than 5,000,000 Baht at all times and its shares are held by Thai shareholder(s) of at least 75 percent of the total shares issued with voting rights. The Platform operator is prohibited from being the lender or borrower in the Platform.
- The BOT may request the applicant to test and develop its new technology under the BOT's Regulatory Sandbox, the details of which shall be as prescribed by the BOT.

Currently, the BOT is in the process of drafting notifications and other relevant legislation to regulate transactions made through the Platform.

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