



## Global Investment and Innovation Incentives (Gi3) Alert

### Update on new 14 measures under the 5-Year Investment Promotion Strategy

#### Introduction

Subsequent to the framework of the [new investment promotion strategy](#), the Thailand Board of Investment (“BOI”) has released announcements to introduce 14 significant measures by specifying conditions and investment incentives for both domestic and foreign investors who are interested to apply for the investment promotion under the new BOI scheme.

#### What to know?

Details of each measure can be summarized as below. For more details on the specific conditions for each measure, please click under each measure in the table: -

| Measures  | Who is eligible for?  | Benefits  |
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| 1. <a href="#">Measures to promote investment in industries that are crucial to develop the country</a> | <ul style="list-style-type: none"> <li>Foreign and domestic investors who will have new investments and will operate business in the following industries:                             <ul style="list-style-type: none"> <li>-</li> <li>1. Agriculture, Food and Biotechnology Industries</li> <li>2. Medical Industries</li> <li>3. Machinery and Vehicles Industry</li> <li>4. Electrical Appliances and Electronics Industries</li> <li>5. Metal and Material Industry</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>0 to 13 years of CIT exemption depending on the type of activities as currently promoted by the BOI; and/or</li> <li>Exemption of import duty on machinery; and/or</li> <li>Exemption of import duty on raw or essential materials used in manufacturing export products for 1 year; and</li> <li>Non-tax incentives                             <ul style="list-style-type: none"> <li>o Permission to own land for the promoted activity;</li> </ul> </li> </ul> |

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|   | <p>6. Chemical and Petrochemical Industry</p> <p>7. Public Utilities</p> <p>8. Digital Industry</p> <p>9. Creative Industry</p> <p>10. High Value Service</p>  | <ul style="list-style-type: none"> <li>○ Granting work permit and visa for foreign skilled worker and/or expert; and</li> <li>○ Relaxation to receive or remit foreign currencies abroad</li> </ul>  |
| 2. <a href="#">Measure to strengthen competitiveness</a>  | <ul style="list-style-type: none"> <li>● Promoted companies that will have new investments related to strengthening competitiveness such as research and development ("R&amp;D"), human resource development, or local suppliers' development.</li> </ul>  | <ul style="list-style-type: none"> <li>● Additional 1 to 5 years of CIT exemption depending on the total amount of investment or total expenses for the first 3 years related to R&amp;D, human resource development, or local suppliers' development</li> </ul>                           |
| 3. <a href="#">Measure for retention and expansion program</a>                                  | <ul style="list-style-type: none"> <li>● Promoted companies which have been granted investment benefits for at least 3 projects over the past 15 years with a combined investment value of not less than 10 billion Baht and must have expansion projects with an investment value of not less than 500 million baht.</li> </ul> | <ul style="list-style-type: none"> <li>● Additional 3 years of CIT exemption for activities under Group A1+, A3, A4 and B; or</li> <li>● 50 percent of CIT reduction for a period of 5 years following the expiration of the CIT exemption for activities under Group A1 and A2</li> </ul> |
| 4. <a href="#">Measure regarding relocation program</a>   | <ul style="list-style-type: none"> <li>● Foreign investors who decide to relocate businesses into Thailand i.e., manufacturing facilities, regional headquarters, and research and development center.</li> </ul>  | <ul style="list-style-type: none"> <li>● Additional 1 to 5 years of CIT exemption depending on the type of business that will be relocated into Thailand, but the total period of CIT exemption will not exceed 8 years; and</li> <li>● Non-tax incentives</li> </ul>                      |
| 5. <a href="#">Measure to stimulate investment in the economic recovery phase</a>               | <ul style="list-style-type: none"> <li>● Promoted companies under Group A1-A4 who will have actual investment capital of not less than THB 1 billion within 12 months from the date of issuance of promotion certificate</li> </ul>  | <ul style="list-style-type: none"> <li>● Additional 50 percent of CIT reduction for a period of 5 years from the expiry date of CIT exemption</li> </ul>   |
| 6. <a href="#">Measures to accelerate Thailand's transition to become smart and sustainable</a> | <ul style="list-style-type: none"> <li>● Existing projects regardless of BOI or Non-BOI promoted projects that would like to improve their efficiency in productions or services to become smart and sustainable, e.g., adoption of automation systems, digital technology, industry 4.0 and decarbonization.</li> </ul>         | <ul style="list-style-type: none"> <li>● 3 years of CIT exemption with a cap of 50 to 100 percent of the investment capital; and</li> <li>● Exemption of import duty on machinery</li> </ul>   |

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| 7. <a href="#">Measure to enhance the competitiveness of Small and Medium-sized Enterprises (“SME”)</a>                | <ul style="list-style-type: none"> <li>• SMEs, e.g., minimum investment of not less than THB 500,000 and Thai shareholders shall hold shares of not less than 51 percent of registered capital.</li> </ul>  | <ul style="list-style-type: none"> <li>• CIT exemption with a cap of 200 percent of the investment capital;</li> <li>• Exemption of import duty on machinery;</li> <li>• Exemption of import duty on raw and essential materials for use in production for export; and</li> <li>• Non-tax incentives</li> </ul>   |
| 8. <a href="#">Measure to promote investment in targeted areas</a>   | <ul style="list-style-type: none"> <li>• Foreign and domestic investors who will invest in the target industries in targeted areas, i.e., Special Economic Zones in four regions.</li> </ul>  | <ul style="list-style-type: none"> <li>• Additional 2 years of CIT exemption for activities under Group A1+; or</li> <li>• 50 percent of CIT reduction for a period of 3 years for activities under Group A1-A4</li> </ul>  |
| 9. <a href="#">Measure to stimulate investment that will enhance community and society development</a>                 | <ul style="list-style-type: none"> <li>• Foreign and domestic investors who will participate in local community and society development by collaborating with local organizations.</li> </ul>   | <ul style="list-style-type: none"> <li>• Projects that are in operation regardless of BOI-promoted or non-BOI projects: 3 years of CIT exemption with a cap of 200 percent of the investment capital and non-tax incentives</li> <li>• Existing BOI-promoted projects where the CIT exemption incentives have not expired, or new investment projects applying for investment promotion and are entitled to CIT exemption incentives: 3 years of CIT exemption with a cap of 120 percent of the investment capital</li> </ul> |
| 10. <a href="#">Measure to promote the establishment of institution for the development of Thai personnel’s skills</a> | <ul style="list-style-type: none"> <li>• Promoted companies that will establish a high-level educational or a training institution to develop personnel’s skills in field of Science, Technology, Engineering, and Mathematics to support investment in targeted industries.</li> </ul> | <ul style="list-style-type: none"> <li>• 5 years of CIT exemption with a cap of 100 percent of the investment capital for the establishment of educational or training institutions;</li> <li>• Exemption of import duty on machinery; and</li> <li>• Non-tax incentives</li> </ul>   |
| 11. <a href="#">Measure to promote investment in Science and Technology Park</a>                                       | <ul style="list-style-type: none"> <li>• Projects in the targeted activities e.g., Biotechnology, Nanotechnology, etc which will be located in Science and Technology Park</li> </ul>   | <ul style="list-style-type: none"> <li>• Additional 2 years of CIT exemption</li> <li>• 50 percent of CIT reduction for a period of 5 years from the expiry date of the granted CIT exemption</li> </ul>  |
| 12. <a href="#">Measure to promote investment in Medical Innovation District</a>                                       | <ul style="list-style-type: none"> <li>• Projects in the targeted activities e.g., Biotechnology and Clinical research which will be located in Medical Innovation District</li> </ul>  | <ul style="list-style-type: none"> <li>• 50 percent of CIT reduction for a period of 5 years from the expiry date of the granted CIT exemption</li> </ul>   |

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| <p>13. <a href="#">Measure to promote investment in the Southern Border provinces</a></p> | <ul style="list-style-type: none"> <li>• Foreign and domestic investors who will have new investment and will operate business in the promoted activities and will be located in Southern Border provinces i.e., Narathiwat province, Pattani province, Yala province, Satun province, etc.</li> </ul>                  | <ul style="list-style-type: none"> <li>• Projects that are in operation regardless of BOI-promoted or non-BOI projects: 3 years of CIT exemption with a cap of 100 percent of the investment capital and non-tax incentives</li> <li>• New investment projects applying for investment promotion: <ul style="list-style-type: none"> <li>○ 8 years of CIT exemption without the limitation on the investment amount;</li> <li>○ 50 percent of CIT reduction for a period of 5 years;</li> <li>○ Exemption of import duty on machinery, exemption of import duty on raw and essential materials for use in production for export;</li> <li>○ Double deduction of the cost of transportation, electricity, and water supply for a period of 10 years from the date of revenue derivation from the operation; and</li> <li>○ Non-tax incentives</li> </ul> </li> </ul> |
| <p>14. <a href="#">Measure to promote investment in Special Border Economic Zones</a></p> | <ul style="list-style-type: none"> <li>• Projects in the targeted activities e.g., manufacture of construction materials and pre-stressed concrete for public utilities, manufacture of metal platform for construction or fabrication industry, etc. which will be located in Special Border Economic Zones</li> </ul> | <ul style="list-style-type: none"> <li>• 8 years of CIT exemption with a cap of 100 percent of the investment capital;</li> <li>• 50 percent of CIT reduction for a period of 5 years from the expiry date of the granted CIT exemption;</li> <li>• Exemption of import duty on machinery;</li> <li>• Exemption of import duty on raw and essential materials for use in production for export for 5 years;</li> <li>• Double deduction of the cost of transportation, electricity, and water supply for a period of 10 years from the date of revenue derivation from the operation; and</li> <li>• Deduction of the costs of installation or construction of facilities for 25 percent of the investment capital</li> </ul>   |

## What's next?

Foreign and domestic investors who are considering applying for the investment promotion are recommended to review the new announcements related to the 14 measures as specified by the BOI and identify whether or not they meet the relevant specific conditions.

Our Deloitte's Gi3 professionals can advise whether your business and investment plan are eligible for the available investment incentives. In particular, our team can assist with the following:

- Review of your relevant business (activity) and investment and perform feasibility study for the eligibility of the promoted activities by the BOI;
- Preparation of the BOI application;
- Liaison with the BOI authorities and following up on the application to support application for the BOI's approval; and
- Setting up of guidance and internal BOI compliance including trainings.

For further information or support, do not hesitate to reach out to our Deloitte Gi<sup>3</sup> professionals.

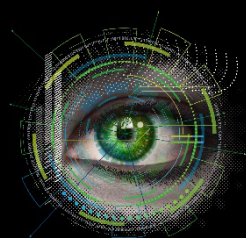
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