



Global Investment and Innovation Incentives (Gi3) Alert

Update on investment incentives in Thailand per the BOI Announcement

Introduction

The Thailand Board of Investment (“BOI”) issued a new announcement aiming at promoting Thailand to be the main production base for large-sized motorcycles. The BOI issued Announcement No. Sor.3/2565 dated 8 August 2022 to add a new activity for the manufacture of motorcycle frame for motorcycles with engine size of more than 268 cc into Category 4 of the Investment Promotion List annexed to the BOI Announcement No.2/2557 dated 3 December 2014.

Who will benefit?

This Announcement will apply to both foreign and domestic companies, large scale project and SMEs, who are interested in the manufacture of motorcycle frames for motorcycles with engine size of more than 268 cc.

What to know?

New Eligible Activity Under Category 4 of the Investment Promotion List

1.1 The BOI has added the new activity of manufacture of motorcycle frame for motorcycles with engine size of more than 268 cc into Category 4 of the Investment Promotion List under the Activity concerning manufacture of vehicle parts.

The Announcement also introduces specific conditions and incentives as summarized below: -

Activity	Condition	CIT Exemption
4.8.18 Manufacture of Motorcycle Frame for Motorcycles with engine size of more than 268 cc	The proposed project must have forming process for vehicle parts or modern welding and assembly processes as approved by the BOI.	3 years of CIT exemption with a limit of the investment amount (excluding cost of land and working capital)

1.2 Under the new Announcement, the BOI specified a new guideline for the second specific condition of the Activity No. 4.12 Manufacture of motorcycles (except less than 248 cc engine displacement) which provided that the “Project must have structural welding process and spray painting process”. The new guideline now also allows the outsourcing of the welding process and spray painting process to other manufacturers in Thailand.

What’s next?

The BOI Announcement was issued in August 2022; however, it became retroactively effective on 13 June 2022. Foreign and domestic investors are highly recommended to review their business activities and investment to see if they are eligible for the incentives. Our Deloitte’s Gi3 professionals can advise whether your business and investment plan is eligible for existing and new investment incentives. We can help you with:

- Review of your 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.

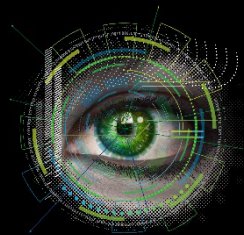
For further information or support, do not hesitate to reach out to our Deloitte Gi3 professionals.

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