

CHANDLER MHM

Newsletter

Thailand Plus Incentives under BOI

On 20 September 2019, The Thailand Board of Investment (BOI) approved two new incentives to encourage companies to move from overseas to Thailand. The two new incentives are outlined below:

Incentive 1: Additional Tax Deduction for Targeted Industries

An applicant of a targeted industry, having an expected business location outside Bangkok, who qualifies for the exemption from corporate income tax (CIT) for 5-8 years will be able to obtain an additional 50% CIT reduction if it (i) applies for promoted business status and is granted a Promotion Certificate from the BOI by the end of 2020 and (ii) will make an actual investment for such promoted business of at least THB one billion by the end of 2021. This incentive is to accelerate investment and expedite large-scale projects in targeted industries.

Incentive 2: Supporting the Development of Human Resources

To develop human resources and build up a high-skilled workforce especially in the area of science, technology and engineering (“STEM”), the following incentives are now available:

- **CIT exemption without a minimum expenses condition for the following matters:**
 - One time exemption from the CIT equivalent of expenses related to apprenticeship programmes for students in the area of science and technology;
 - Two times exemption of the CIT equivalent of expenses related to apprenticeship programmes for employees in the area of targeted technologies. Such apprenticeship programmes must be endorsed by the Ministry of Higher Education, Science, Research and Innovation (“MHESI”), or the Eastern Economic Corridor Office.

An application to enjoy such incentives must be submitted to the BOI by the end of 2021 and before the end of the promoted project’s CIT exemption period; and

- **5-year CIT exemption for 100% of the investment funding used for the establishment of a STEM training institution** which is endorsed by the MHESI. The applicant

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will receive an import duty exemption on machinery for the training institutions.

The BOI will issue notifications with more details including the criteria for applying for the above incentives soon.

The above incentives are two of seven measures launched under the Thailand Plus Packages policy as recently approved by the Economic Ministers Meeting on 6 September 2019. The remaining measures include a one stop service policy, amendment to the restricted business list under the Foreign Business Operations Act B.E. 2542 (1999), expanding free trade networks and development of new special investment zones.

This publication is intended to highlight an overview of key issues for ease of understanding, and not for the provision of legal advice. If you have any questions about this publication, please contact your regular contact person(s) at Mori Hamada & Matsumoto or Chandler MHM Limited, or any of the Key Contacts listed in the far-right column.