



Global Investment and Innovation Incentives (Gi³) Alert

Changes to Criteria and Conditions for Granting Land Ownership to BOI-promoted Companies

Introduction

Following the Announcement of the Board of Investment (“BOI”) No. 6/2565 dated 8 August 2022, regarding criteria and conditions for granting land ownership to BOI-promoted companies for the establishment of offices and residences, the BOI recently issued a new Announcement No. Por. 10/2566 dated 23 June 2023 introducing additional criteria and conditions for granting land ownership to BOI-promoted companies.

What to know?

The updated criteria and conditions for applying for the permission to own land for the establishment of offices and residences and operating promoted business are summarized below:

Condition	BOI Announcement No. 6/2565	BOI Announcement No. Por.10/2566
Paid-up registered capital	<ul style="list-style-type: none"> Must have a paid-up registered capital of not less than THB 50 million. 	<ul style="list-style-type: none"> Must have a paid-up registered capital of not less than THB 50 million throughout the period of receiving the approval to own land for the establishment of office and residences and operating promoted business.
Size of land for the establishment of offices and residences	<ul style="list-style-type: none"> Land for the establishment of offices for the promoted projects must not exceed 5 rai. 	-

	<ul style="list-style-type: none"> Land for the residences of executives or experts must not exceed 10 rai. Land for the residences of employees must not exceed 20 rai. 	<ul style="list-style-type: none"> Land for the residences of executives or experts must not exceed 100 square wah per family and each plot of land must not be an adjoining area exceeding 1 rai. The land ownership will be granted of not exceeding 1 rai per the paid-up registered capital of THB 50 million and the total land size must not exceed 10 rai. Land for the residences of employees must not exceed 1 rai per 300 employees. The land ownership will be granted of not exceeding 1 rai per the paid-up registered capital of THB 50 million and the total land size must not exceed 20 rai. <p>Remark:</p> <ol style="list-style-type: none"> Regarding the permission to grant land ownership for the residences of executives, experts and/or employees, the BOI will consider from the total land size for use in the establishment of residences of executives, experts, and employees. The land ownership will be considered based on a case-by-case basis. The total size of land will be granted based on an entity level regardless of number of BOI promotion certificates.
Distances between the establishment of office and residences	<ul style="list-style-type: none"> Land for the residences can be located within or outside the area of the business establishment. 	<ul style="list-style-type: none"> In case the land for the establishment of office and residences is not located in the same area, the land for establishment of residences must not be located more than 50 kilometers from the office of the promoted project.
Other conditions	-	<ul style="list-style-type: none"> BOI-promoted companies are prohibited from using the permitted land for wrong purposes that are contrary to good morals or public order. BOI-promoted companies must facilitate any inspections relating to the use of land and provide access to location of the establishment of offices and residences throughout the period of obtaining the investment promotion. In case BOI-promoted companies do not comply with any conditions, the BOI will revoke the rights and benefits concerning land ownership and the approved land must be sold within 1 year from the date of

		<p>receipt of the notification of non-compliance from the BOI.</p> <ul style="list-style-type: none">• All applications that had been submitted to the BOI according to the BOI Announcement No. 6/2565 dated 8 August 2022 and those that are being reviewed by the BOI must be in compliance with the criteria and conditions as specified in the new BOI Announcement.
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What's next?

BOI-promoted companies who are considering applying for the permission to own land in Thailand for the establishment of offices and residences are recommended to review their business plans to determine if their land allocation complies with the criteria and conditions as set out in the new BOI Announcement.

Our Deloitte's Gi3 professionals can assist you with the following services:

- Review of your business plan regarding the land allocation to establish offices and residences in Thailand and perform a feasibility study for the eligibility of permission to own land in Thailand with the BOI under the updated criteria and conditions.
- Preparation of the relevant application; and
- Liaise with the BOI authorities and following up on the application to support application for the BOI's approval.

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

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