



## Global Investment and Innovation Incentives (Gi<sup>3</sup>) Alert

### Update on the Investment Promotion Measures for 2024

#### Introduction

To support the relocation of businesses to Thailand, as well as to encourage large-scale investments in targeted industries, the Thailand Board of Investment (“BOI”) released new announcements to expand the scope for special investment promotion measures and has extended the deadline for the application submission to the last working day of 2024 (i.e., 30 December 2024).

#### What to Know?

Details of each measure can be summarized as below: -

Investment Promotion Measures for Community and Society Development	
Conditions	<ul style="list-style-type: none"><li>• The projects must have minimum capital investment of THB 5 million (excluding land costs and working capital) and provide at least THB 500,000 in support to each local organization.</li><li>• The projects must present a collaboration plan with local organizations to promote competitiveness enhancement of the local communities, i.e., activities relating to</li></ul>

	<p>manufacturing or service process enhancement, holistic water resource management, sustainable agriculture development, environmental enhancement, and support for education or public health. In addition, the BOI added the scope of local organization support for forest management to reduce PM2.5 particulate pollution. The CIT exemption limit will be calculated based on the actual investment expenses (excluding land costs and working capital) to support local organization, e.g., constructing firebreaks in wet-forest areas, building moisture-retaining ridges, providing support for firefighter tools and equipment, and offering training on forest fire prevention and control. In addition, the project's plan must be approved by the Ministry of Natural Resources and Environment.</p>
<b>Incentives</b>	<ul style="list-style-type: none"> <li>• 3-year CIT exemption with a cap of 200 % of the investment capital (excluding the land cost and working capital); and</li> <li>• Non-tax incentives.</li> </ul>
<b>Measure for Retention and Expansion Program</b>	
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• The applicants must be existing BOI-promoted projects with at least 3 promoted projects under the same company in the past 15 years. In addition, the BOI has updated the period of the 3 existing BOI-promoted projects under the same juristic person in the past 15 years, from 2008-2022 to 2009-2023.</li> <li>• The expansion projects must have minimum investment value of not less than THB 500 million (excluding land costs and working capital).</li> </ul>
<b>Incentives</b>	<ul style="list-style-type: none"> <li>• Additional 3-year CIT exemption (not exceeding 13 years in total) for activities under Group A1+; or</li> <li>• 50 % of CIT reduction for a period of 5 years following the expiration of the CIT exemption for activities under Group A1 and A2; or</li> <li>• Additional 3-year CIT exemption (not exceeding 8 years in total) for activities under Groups A3, A4, and B.</li> </ul>
<b>Measure for Comprehensive Relocation Program</b>	
<b>Conditions</b>	<p>Previously, this Measure applied to two cases (i) applicants with new investment in manufacturing projects and (ii) existing BOI-promoted manufacturing projects (Group A). Currently, the BOI has added new cases. Key changes can be summarized as below: -</p> <ul style="list-style-type: none"> <li>• In case of applicants with new investment in manufacturing projects, there are two cases: <ol style="list-style-type: none"> <li>1. In cases where the applicants operate all business activities under the same company; and</li> </ol> </li> </ul>

	<p>2. In cases where the applicants collaborate with other affiliated companies in operating the International Business Center ("IBC") and/or Research and Development Center ("R&amp;D")</p> <ul style="list-style-type: none"> <li>In case of existing BOI-promoted manufacturing projects which has been granted with tax incentives (Group A), there are also two cases: - <ol style="list-style-type: none"> <li>In cases where the applicants operate all business activities under the same companies; and</li> <li>In cases where the applicants collaborate with other affiliated companies in operating the IBC and/or R&amp;D</li> </ol> </li> <li>Extension of time for investment promotion acceptance and submission of supporting documents for BOI promotion certificate will not be allowed in any cases.</li> <li>The deadline for having the first revenue or starting service of IBC has been changed from 3 years to 1 year from the issuance date of the BOI promotion certificate.</li> </ul>
<b>Incentives</b>	<ul style="list-style-type: none"> <li>Additional 3 or 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> <p>Remark: For projects in which the applicants collaborate with other juristic persons in operating the business activities will not be granted non-tax incentives from the BOI.</p>
<b>Investment Stimulation Measure for Economic Recovery</b>	
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The projects must be related to activities in Group A1, A2, A3, and A4.</li> <li>The projects must have actual investment capital of not less than THB 1 billion (excluding land costs and working capital) within 12 months from the issuance date of the BOI promotion certificate.</li> </ul>
<b>Incentives</b>	Additional 50 % of CIT reduction for a period of 5 years from the expiry date of CIT exemption

### What's next?

Foreign and domestic automotive companies who are interested in applying for the New Measure on automotive industry are highly recommended to review their business activities and investment to see if they are eligible for the incentives of the New Measure. Our Deloitte's Gi3 professionals can advise whether your business and future investment plan are eligible for new investment incentives.

- Review of your business (activity) and investment and perform feasibility study for the eligibility of the promoted activities by the BOI;
- Preparation of the relevant applications;
- 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.

### **Deloitte Tax Self-check assessment**

You can initially assess your current business operation by scanning QR code below.



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