



Board of Investment Promotion

FACT SHEET

Established in 1966 following the Investment Promotion Act (B.E. 2520), the Board of Investment (BOI) aims to promote foreign and domestic investment into Thailand by providing a number of tax and non-tax incentives to enterprises that are engaged in qualifying business activities.

What incentives does the Board of Investment provide approved projects?

The incentives given by the BOI can be split into two categories: tax and non-tax incentives.

Tax Incentives

- ◆ Exemption or reduction of import duties levied on machinery.
- ◆ Reduction of import duties on raw or essential materials.
- ◆ Exemption of corporate income tax on net profits and dividends derived from promoted activities for three to eight years
- ◆ Permitted to carry over losses as deductible expenses for up to five years.
- ◆ Exemption of import duties levied on imported materials used for R&D purposes.
- ◆ Additional 25% deduction of costs associated with the installation and construction of facilities.

Non-tax Incentives

- ◆ Foreign-majority ownership of the company.
- ◆ Permission to bring foreign experts into the Kingdom through an expedited visa and work permit application process.
- ◆ Permission to own land in the Kingdom.
- ◆ Entitled to remit money out of the country in foreign currencies.

**Incentives provided by the BOI may vary and are contingent on the promoted activity a company is engaged in.*

Project Approval Criteria

The BOI considers several criteria to approve projects. These are split into three primary categories:

Development of competitiveness in the agricultural, industrial, and services sectors.

The value added to the project's products of services must not go below 20% of its revenue. This excludes projects involved in agriculture, electronics, and coil centers which must have 10% value added.

Modern methods and processes of production must be used.

New and innovative machinery must be used unless certain conditions are

Activities that foster and promote environmental protection.

Sufficient guidelines and policies aimed at protecting the environment must be enacted. The BOI will give special consideration to a project's location and treatment methods if there are possible environmental impacts.

Some projects may be required to submit assessment reports that comply with relevant environmental laws and regulations.

Projects located in Rayong are required to comply with Announcement No. Por 1/2554 dated 2 May, 2011 regarding the Industrial Promotion Policy in the Rayong Area.

Minimum capital investment and project feasibility.

For most projects, the minimum capital investment required is 1 million Baht, excluding the cost of land and working capital. However, knowledge-based services are required to have a minimum capital investment based on the minimum annual salaries expense specified in the list of activities that qualify for investment promotion.

Some projects may be required to submit assessment reports that comply with relevant environmental laws and regulations.

Projects with an investment value of over 750 million Baht, not including the cost of land and working capital, are required to submit a feasibility study specifying details required by the board.

How does the application procedure work?

1. Applicants must then complete and submit the BOI application form.

2. They must then see BOI officials for an interview regarding the project.

3. Once all requirements are met, the BOI will approve the project.

4. After approval, the applicant must submit a form officially accepting the promotion.

5. After accepting the promotion, applicants must then prepare and submit the required documents within six months to obtain a BOI certificate.

6. Applicants can then obtain their BOI certificate.