



THAILAND  
BOARD OF  
INVESTMENT

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# BOI Policy Update

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Thailand Board of Investment

31<sup>st</sup> January 2018

# Investment Promotion Measures at Present

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## Activity-based

- Bio & Medical Industries
- Advanced Industries
- Basic & Supporting Industries
- High Value Services
- Creative & Digital Industries

2

## Technology-based

- Biotechnology
- Nanotechnology
- Advanced Material Technology
- Digital Technology

3

## Merit-based

- R&D
- Support educational/ research institutions, funds for development of technology and researchers
- IP licensing fee
- Trainings of advance technologies
- Development of Local supplier
- Designing of products and packaging.

## Agenda-based

4

## Area-based

- EEC (3 provinces)
- SEZ (10 provinces)
- Southern border provinces (4 provinces, 4 districts)
- 20 provinces with low income per capita
- Industrial estates/zones
- Science and Technology zones including Science Park, Food Innopolis, SKP

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## Promotion Measures for Enhancement of Production Efficiency

- Replacement/upgrading of machinery for energy conservation, use of alternative energy and reducing impacts on environment
- Replacement/upgrading of machinery for enhancing productivity such as uses of automation
- Investment in R&D/Engineering designs to improve productivity efficiency
- Upgrade production line to acquire agricultural industrial standards



# EEC Scheme

# New Investment Promotion Measures in the EEC—starting January 1, 2018



- Applications must be submitted by the end of 2019
- Must have cooperation with academic institution / research institution / Center of Excellence to develop human resource and improve the level of technology
- Incentives for targeted industries

Area-based	Additional incentives on top of the normal package (Only targeted Industries)	Condition
1. Eastern aviation city or Aeropolis, EECi, EECd	CIT exemption <b>for 2 years</b> and <b>50% CIT reduction for 5 years</b>	No of apprentices: $\geq 10\%$ of all employees hired or at least 50
2. Industrial Estates for Specific Targeted industries	An additional <b>50% CIT reduction for 5 years</b>	
3. Other Industrial Estates/ Industrial Parks in EEC	An additional <b>50% CIT reduction for 3 years</b>	No of apprentices: $\geq 5\%$ of all employees hired or at least 25



# Productivity Enhancement Support

# Measures to Promote Productivity

- Replace or upgrade machinery for **energy conservation, alternative energy utilization, reduction of environmental impacts**
- Replace or upgrade machinery for efficiency enhancement, e.g. **Automation**
- Invest or spend in **R&D/advanced engineering designs**
- Upgrade production line to acquire **agricultural industrial standard.**

## Eligibility

- Applicants must be existing businesses, whether BOI or non-BOI promoted (except certain businesses).
  - In the case of non-BOI status, the company must conduct a BOI-eligible activity.
  - In case of BOI status, corporate income tax exemption must have already expired or has never been granted.
- Minimum investment of 1 million Baht (excluding cost of land and working capital)

# Measures to Promote Productivity

## Incentives

- Exemption of import duties for machinery
- 3-year corporate income tax exemption on the revenue of an existing project with the total tax exemption amount capped at 50% of investment in productivity enhancement (In case of investment in automation, the cap will be raised to 100% if minimum 30% local industrial linkages are reached.)
- Corporate income tax exemption period starts from the date of investment promotion certificate.

## Requirements

- Investment must be completed within 3 years from the date the promotion certificate is issued.
- Required KPIs include such productivity indicators as reduced unit direct costs, reduced processing time, reduced waste and reduced cycle time.
- Applications must be submitted by the end of 2020



# New Activity Eligible for Investment Promotion



BOI's announcement of Sor 3/2560 dated October 28, 2017 specify following details of the activities, conditions and benefits.

<b>Activities</b>	<b>Conditions</b>	<b>Tax benefits</b>
1.23. Smart farming system or service such as detection or tracking systems, resources regulation systems (such as water, fertilizers, medicines) and smart greenhouse systems.	Project must include systems and software development processes for resources management.  The resources management software and systems must be integrated and capable of collecting, interpreting and analyzing data.	<b>5 years</b>  <b>(No cap)</b>

## BOI Activity Eligible for Medical services (7.28)

Activities	Conditions	Tax benefits
<b>Specialty Medical centers such as heart, cancer, kidney related area.</b>	<ol style="list-style-type: none"><li>1. Must have appropriate human resource recruitment plan.</li><li>2. Must have tools and equipment that are approved by the Board of Investment.</li><li>3. Must receive permission from relevant agencies and must be in accordance with the professional standards, regulations or other relevant standard of the Ministry of Public Health.</li><li>4. Must consider the distribution of services and the people's access to the centers.</li></ol>	<b>8 years</b>

<b>Activities</b>	<b>Conditions</b>	<b>Tax benefits</b>
Hospitals	<ol style="list-style-type: none"><li data-bbox="754 472 2035 829">1. Areas under the 20 provinces with low per capita income according to the Announcement of the Board of Investment No. 2/2557 dated December 3,2014</li><li data-bbox="754 893 1939 1150">2. Areas under the following Southern border provinces: Narathiwat, Pattani, Yala, Satun and 4 districts in Songkla</li><li data-bbox="754 1215 1862 1272">3. Special Economic Development Zones.</li></ol>	<b>8 years</b>

# BOI Activity Eligible for Medical services (7.28)

Activities	Conditions	Tax benefits
<b>Transportation services for patients, doctors, or medical equipment (maritime, land or air transport)</b>	<ol style="list-style-type: none"><li>1. Must receive approval from relevant agencies and operate in accordance with their standard regulations with regard to transportation services for patients.</li><li>2. Must have modern tools and equipment in accordance with the Ministry of Public Health's Standard or other standards approved by the BOI.</li></ol>	<b>5 years</b>

# Scheme to support Promoted Companies to register with MAI

## Conditions

- Must be approved by SEC to be MAI-listed company, before application submission.
- For existing BOI Promoted projects, the corporate income tax exemption cap and period must not expire.
- The application must be submitted by 30 Dec 2020
- The scheme will not be applied to company that has been MAI listed before this scheme was approved by the BOARD (23 November 2017).

## Incentives

- **Increase tax exemption amount to 200% of the investment value**



# Thailand's SMART Visa Program

Smart Visa to be launched  
on February 1, 2018



**Taking Thailand to  
New Heights with  
Foreign Talents and  
Technology**



Food for the Future



Agriculture & Biotech



Medical Hub



Digital



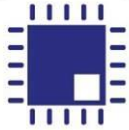
Aviation & Logistics



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Smart Electronics





Next-Gen Automotive





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# Eligibility and Benefits of SMART Visa

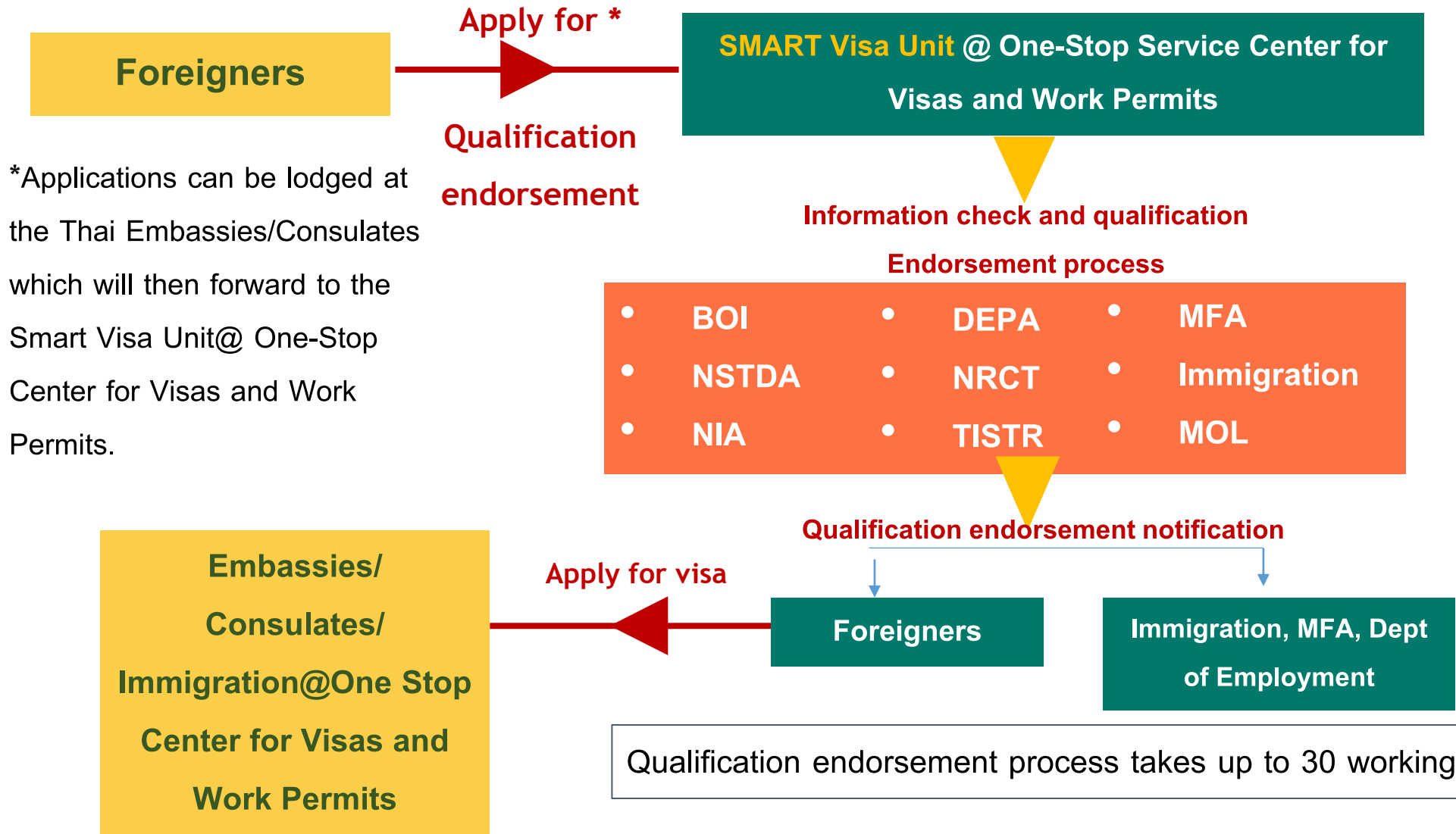
	Eligibility	Rights and Benefits
<p><b>SMART “T”</b></p>  <p><b>TALENT</b></p>	<ul style="list-style-type: none"><li>• Science and technology experts</li><li>• Salary <math>\geq</math> 200,000 baht/month</li><li>• Employment contract with remaining validity of <math>\geq</math> 1 year</li><li>• Employing companies being in the targeted industries</li></ul>	<ul style="list-style-type: none"><li>• Maximum 4-year visa, but not exceeding the employment contract term</li><li>• No work permit required for working in the endorsed companies</li><li>• 90-day reporting to the Immigration extended to 1 year</li><li>• No re-entry permit required</li><li>• Spouse and children granted permission to stay and work in Thailand with no work permit required</li></ul>
<p><b>SMART “I”</b></p>  <p><b>INVESTOR</b></p>	<ul style="list-style-type: none"><li>• Minimum direct investment of 20 million baht</li><li>• Investing in companies using technology in manufacturing or delivering services and being in the targeted industries</li></ul>	<ul style="list-style-type: none"><li>• Maximum 4-year visa</li><li>• No work permit required for working in the endorsed companies</li><li>• 90-day reporting to the Immigration extended to 1 year</li><li>• No re-entry permit required</li><li>• Spouse and children granted permission to stay in Thailand</li><li>• Spouse granted permission to work with no work permit required</li></ul>



# Eligibility and Benefits of SMART Visa

	Eligibility	Rights and Benefits
<p><b>SMART “E”</b></p>  <p><b>EXECUTIVE</b></p>	<ul style="list-style-type: none"><li>• Holder of Bachelor’s degrees or higher with work experience <math>\geq 10</math> years</li><li>• Salary <math>\geq 200,000</math> baht/month</li><li>• Employment contract with remaining validity of <math>\geq 1</math> year</li><li>• High-levels executives</li><li>• Working for companies using technology in manufacturing or delivering services and being in the targeted industries</li></ul>	<ul style="list-style-type: none"><li>• Maximum 4-year visa, but not exceeding the employment contract term</li><li>• No work permit required for working in the endorsed companies</li><li>• 90-day reporting to the Immigration extended to 1 year</li><li>• No re-entry permit required</li><li>• Spouse and children granted permission to stay in Thailand</li><li>• Spouse granted permission to work with no work permit</li></ul>
<p><b>SMART “S”</b></p>  <p><b>START UP</b></p>	<ul style="list-style-type: none"><li>• Fixed deposit of <math>\geq 600,000</math> baht with the remaining maturity term of <math>\geq 1</math> year</li><li>• Health insurance</li><li>• Participating in an endorsed incubation, accelerator program or a similar program/or obtaining joint venture with or being endorsed by a relevant government agency</li><li>• Must set up a company in the targeted industries in Thailand within 1 year with at least 25% ownership or being a board member</li></ul>	<ul style="list-style-type: none"><li>• 1-year visa for the first time, renewable for <math>\leq 2</math>-year if requirements are met</li><li>• No work permit required for working in the endorsed companies or projects</li><li>• 90-day reporting to the Immigration extended to 1 year</li><li>• No re-entry permit required</li><li>• Spouse and children granted permission to stay in Thailand</li><li>• Spouse granted permission to work with no work permit</li></ul>

# SMART Visa Application Process



\*Applications can be lodged at the Thai Embassies/Consulates which will then forward to the Smart Visa Unit@ One-Stop Center for Visas and Work Permits.

# Relevant Technical Certifying/Endorsing Bodies

Visa Type	Qualifications/Status	Certifying/Endorsing Agencies
Smart <b>T</b>	<input type="checkbox"/> Being Highly skilled experts in the fields of science and technology.	
	- In case the expert working for a private firm	NSTDA/ NRCT/TISTR/ DEPA
	- In case the expert working for a government agency	Sponsoring government agency
	<input type="checkbox"/> Employers being in the targeted industries.	
	- In case the expert working for a private firm	NIA/DEPA
	- In case the expert working for a government agency	Sponsoring government agency
Smart <b>I</b>	<input type="checkbox"/> Investing in companies using technology in manufacturing or delivering services and being in the targeted industries	NSTDA,/NIA/ DEPA
Smart <b>E</b>	<input type="checkbox"/> Working for companies using technology in manufacturing or delivering services and being in the targeted industries	NSTDA/NIA/ DEPA
Smart <b>S</b>	<input type="checkbox"/> Participating in an Incubation or accelerator program or similar programs endorsed by a relevant government agency <u>or</u>	NIA, DEPA
	<input type="checkbox"/> Having a joint venture with or endorsed by a government agency (in case of not participating in an incubation or accelerator program)	DEPA
	<input type="checkbox"/> Companies that have been set up being in the targeted industry	NIA, DEPA



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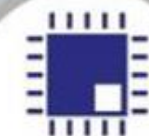
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## SMART Visa

# Smart Visa to be launched on February 1, 2018



Smart Electronics



Next-Gen Automotive



Affluent, Medical & Wellness Tourism



Biofuels & Biochemicals



Food for the Future

## Taking Thailand to New Heights with



# Where to contact?

## SMART Visa Unit

One-Stop Service Center for Visas and  
Work Permits

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Starting from  
1<sup>st</sup> February 2018