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NEWSLETTER

BOI Regulatory Updates:

Tightens Land-Ownership Privileges for Foreign-Owned Companies

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On 1 September 2025, the new Board of Investment ("BOI") Announcement No. Sor. 7/2568, which introduces significant changes to land ownership privileges and Thai shareholding thresholds requirements for certain promoted activities, became effective. These changes represent one of the most comprehensive updates to BOI regulations, reflecting a stronger focus on fostering sustainable investment practices and ensuring that incentives are granted to projects with genuine long-term commitments as a contribution to Thailand's economic growth and sustainable development.

Investors currently operating in, or planning to invest in, BOI-promoted projects should closely monitor and assess how these changes may affect their eligibility for incentives, as well as the structuring of their operating companies to ensure compliance with applicable laws and to maintain good standing.

KEY HIGHLIGHTS

1. Land Ownership Limitation (on Selected Manufacturing Activities)

   Certain manufacturing activities are no longer allowed to enjoy land ownership privileges for promoted projects under Section 27 of the Investment Promotion Act:

   (1) Rolling, drawing, casting or forging of non-ferrous metals (Category 5.4.9);
   (2) Manufacture of ferrous metal products or ferrous metal parts (Category 5.4.11.2);
   (3) Manufacture of Non-ferrous metal products including Non-ferrous metal parts (Category 5.4.11.4);
   (4) Manufacture of other metal products including other metal parts (Category 5.4.11.5);
   (5) Manufacture of chemical products for industry (Category 6.2); and
   (6) Manufacture of plastic products for industrial goods and parts (Category 6.4.1).

It is, nonetheless, important to note that a foreign majority or wholly owned company may still be eligible to own land permitted under other applicable laws, such as land located within an industrial estate under the Industrial Estate Authority of Thailand Act.

The Existing promoted companies seeking to , apply for any of the above manufacturing activities will be exempted from the above regime if they have operated at least three (3) existing BOI promoted projects under the same entity name within the past 15 years (between 2011 and 2025), with a combined minimum investment capital of not less than THB 5 billion, excluding land cost and working capital.

2. Thai Majority Shareholding Limitation (on Certain Promoted Activities)

Certain manufacturing activities are no longer allowed to enjoy land ownership privileges for promoted projects under Section 27 of the Investment Promotion Act:

(1) Manufacture of bags or shoes or products made of leather or artificial leather (Category 9.8);

(2) Manufacture of furniture or parts (Category 9.12); and

(3) Manufacture of plastic products for industrial goods and parts (Category 6.4.1).

However, the above requirement does not apply if the project is located inside designated border special economic zones.

3. Application Timing & Transition

The new regime will apply to BOI promotion applications submitted on or after 1 September 2025. Any applications for the above categories submitted during the period of 22 July to 31 August 2025 shall not be granted extensions of time for responding to promotion approval or for submitting the required documents for the issuance of the promotion certificate.

The BOI's new policy represents a significant shift in how foreign-owned companies may hold or utilize land in Thailand. Investors should promptly reassess their land ownership plans, including considering alternatives such as long-term leases or acquiring land within industrial estates, rather than pursuing freehold ownership outside industrial estate areas for restricted activities. Companies should also carefully review their shareholding structures, since certain activities now require a Thai majority, and any new investment in these restricted activities may necessitate corporate restructuring or the establishment of joint ventures with Thai partners.

In addition, investors engaging in mergers and acquisitions should plan ahead, as the new shareholding requirements under the BOI Announcement could have direct implications for financing arrangements, tax planning, and control over target companies.