BOI'S NEWLY PROMOTED ACTIVITIES DRIVING THAILAND FORWARD

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In response to the COVID-19 pandemic's effect on the economy, an aging society and environmental issues facing Thailand, the Thailand Board of Investment ("**BOI**") has recently announced the promotion of several new groups of activities where eligible companies investing in Thailand may be granted investment privileges including corporate income tax ("**CIT**") exemptions:

1. <u>Medical Hub</u>

No.	Promoted Activities	Highlight tax incentives
1	7.28.5 Senior Care Hospitals	A3 – 5-year CIT exemption
2	7.28.6 Senior or Dependent Care Service	A4 – 3-year CIT exemption
3	7.38 Clinical Research	A1 – 8-year CIT exemption (no exemption cap)
	7.38.1 Clinical Research Organization (CRO)	
	7.38.2 Clinical Research Center (CRC)	

2. <u>Electric Vehicle Businesses (EV Business)</u>

No.	Promoted Activities	Highlight tax incentives
1	4.24 Electric Vehicle Manufacture (minimum requirement to manufacture the BEV) • Battery Electric Vehicle (BEV) • Plug-In Hybrid Electric Vehicle (PHEV) • Hybrid Electric Vehicle (HEV)	- General Activity: B1 - exemption of import duties on machinery and raw materials
		- For the investment capital not less than 5,000 million Baht: • BEV: A2 – 8-year CIT exemption (cap amount and plus 3-year CIT exemption in case of having R&D) • PHEV: A4 – 3-year CIT exemption
		- For the investment capital less than 5,000 million Baht: • BEV: A4 – 3-year CIT exemption (cap amount and plus 8-year CIT exemption if operates according to the criteria) • PHEV: A4 – 3-year CIT exemption
2	4.25 Battery Electric Motorcycle Manufacture	A4 – 3-year CIT exemption (cap amount and plus 8-year CIT exemption if operates according to the criteria)
3	4.26 Battery Electric Three-wheeler Manufacture	A4 – 3-year CIT exemption (cap amount and plus 7-year CIT exemption if operates according to the criteria)

No.	Promoted Activities		Highlight tax incentives
4	4.27	Battery Electric Bus and Truck Manufacture	A4 – 3-year CIT exemption (cap amount and plus 7-year CIT exemption if operates according to the criteria)
5	4.9	Ship Building or repair (to include electric ship building)	A2 – 8-year CIT exemption (cap amount)

The BOI has also revised category 4.8.3 electric vehicle parts and equipment manufacture to grant privileges including tax and non-tax incentives in respect of the manufacture of high voltage harnesses, reduction gear, battery cooling systems and regenerative braking.

3. <u>International Procurement Office (IPO) – category 7.37</u>

This promoted activity had previously been removed from the promoted list. However, the BOI has since reintroduced it citing the importance in the current economic climate to promote the IPO for international trade business. This would be another supporting sourcing business (including domestic resources) to the manufacturing businesses within Thailand and abroad, especially EV Business. This promoted activity will be granted B1 privileges which include exemption of import duties on machinery and raw materials as well as non-tax incentives (work permit & visa).

Need assistance?

Siam Premier's Corporate team provides strategic legal advice on all aspects of Thai corporate law.

For more information on BOI's newly promoted activities, please contact our partner, Linda Osathaworanan at linda@siampremier.com or our associates Panjaree Chumuang (panjaree@siampremier.com) or Petchada Kingwattanakul (petchada@siampremier.com)

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