(Unofficial Translation)

Announcement of the Board of Investment
No. 2 /2557
Policies and Criteria for Investment Promotion

Due to significant changes in both domestic and international economic and investment landscape, the Board of Investment deems it appropriate to revise the investment promotion policies and criteria to respond to the current and future situation to be in line with the direction of Thailand's development under the National Economic and Social Development Plan and the country's development policies for the agricultural, industrial and services sectors in order to enhance the country's competitiveness and achieve sustainable development in the long run.

By virtue of Sections 16, 18, and 19 of the Investment Promotion Act of B.E. 2520, the Board of Investment hereby prescribes the investment promotion policies and criteria as follows:

1. The following announcements shall be repealed:
   1.1 Board of Investment Announcement No. 1/2543 dated August 1, 2000 on Policies and Criteria for Investment Promotion
   1.2 Board of Investment Announcement No. 3/2549 dated March 20, 2006 on Additional Rights and Privileges for Investment on Developing Skill, Technology & Innovation (STI)
   1.3 Board of Investment Announcement No. 5/2549 dated March 20, 2006 on Policy to Promote Continuous Long-Term Investment Projects in Electronics and Electrical Industry
   1.4 Board of Investment Announcement No. 8/2549 dated June 27, 2006 on Policy to Promote Continuous Long-Term Investment Projects that have High Investment Capital and Special Importance to the Electronics and Electrical Industry
   1.5 Board of Investment Announcement No. 1/2550 dated April 9, 2007 on Measure to Promote Research and Development Collaboration between the Industrial Sector and Educational Institutions
   1.6 Board of Investment Announcement No. 6/2552 dated May 29, 2009 on Amendment on Granting Rights and Benefits for Investment in Skill, Technology and Innovation (STI)
   1.7 Board of Investment Announcement No. 10/2552 dated October 15, 2009 on Types, Sizes and Conditions of Activities Eligible for Promotion
   1.8 Board of Investment Announcement No. 11/2552 dated October 15, 2009 on Granting of Additional Rights and Benefits for Investment in Skill, Technology and Innovation (STI)

2. If any announcement of the Board of Investment or the Office of the Board of Investment is in conflict with this announcement, this announcement shall prevail.

3. Investment Promotion Vision

The Board of Investment has envisioned investment promotion as follows:

"To promote valuable investment, both investment in Thailand and Thai overseas investment, in order to enhance the nation's competitiveness, to overcome the middle income trap and to achieve sustainable growth in accordance with the philosophy of sufficiency economy."

4. Investment Promotion Policies

In order to achieve the vision, the Board of Investment has set investment promotion policies as follows:

4.1 Promote investment that helps enhance national competitiveness by encouraging R&D, innovation, value creation in the agricultural, industrial and services sectors, SMEs, fair competition and inclusive growth

4.2 Promote activities that are environment-friendly, save energy or use alternative energy to drive balanced and sustainable growth

4.3 Promote clusters to create investment concentration in accordance with regional potential and strengthen value chains

4.4 Promote investment in border provinces in Southern Thailand to help develop the local economy, which will support efforts to enhance security in the area

4.5 Promote special economic development zones, especially in border areas, both inside and outside industrial estates, to create economic connectivity with neighboring countries and to prepare for entry into the ASEAN Economic Community (AEC)

4.6 Promote Thai overseas investment to enhance the competitiveness of Thai businesses and Thailand's role in the global economy

5. Activities Eligible for Investment Promotion

5.1 Activities on the list attached to this announcement are eligible for investment promotion.

5.2 Conditions and rights and benefits of projects that receive investment promotion shall be specified for each activity.

5.3 The following activities are classified as activities of special importance and benefits to the country that will be granted corporate income tax exemption without being subject to a corporate income tax exemption cap:

Category 1.3	Economic forest plantations (except for Eucalyptus)
Category 3.9	Creative product design and development centers
Category 4.11.1	Manufacture of airframes, airframe parts and major aircraft appliances, e.g. engines, aircraft parts, propellers and avionics
Category 5.6	Electronic design
Category 5.7	Software
Category 7.1.1.1	Production of electricity or steam power from waste or refuse-derived fuel
Category 7.8	Energy Service Company (ESCO)
Category 7.9.2	Industrial zones or technology industrial zones
Category 7.10	Cloud services
Category 7.11	Research and development
Category 7.12	Biotechnology
Category 7.13	Engineering design

Category 7.14 Scientific laboratories
Category 7.15 Calibration services
Category 7.19 Vocational training centers

6. Criteria for Project Approval

The Board of Investment stipulates the following criteria for project approval:

6.1 <u>Development of competitiveness in the agricultural, industrial and services sectors</u>

6.1.1 The value added of the project must not be less than 20% of revenues, except for projects in agriculture and agricultural products, electronic products and parts, and coil centers, all of which must have value added of at least 10% of revenues.

6.1.2 Modern production processes must be used.

6.1.3 New machinery must be used.

In case of imported used machinery, criteria are as follows:

(1) In case of used machinery not over 5 years old, counting from the manufacturing year to the importing year, the machinery shall be allowed to be used in the project and counted as investment capital for the calculation of the cap on corporate income tax exemptions; however, they shall not be granted import duty exemption. A machinery performance certificate issued by a trusted institute identifying efficiency, environmental impact and energy usage for the machine, as well as its fair value, must be obtained.

(2) In case of used machinery over 5 years old but not exceeding 10 years old, counting from the manufacturing year to the importing year, only press machines shall be allowed to be used in the project and counted as investment capital for the calculation of the cap on corporate income tax exemptions; however, they shall not be granted import duty exemption. A machinery performance certificate issued by a trusted institute identifying efficiency, environmental impact and energy usage for the machine, as well as its fair value, must be obtained.

(3) For sea and air transport activities and molds and dies, used machinery over 10 years old, counting from the manufacturing year to the importing year, may be allowed to be used in the project as deemed appropriate, counted as investment capital for the calculation of the cap on corporate income tax exemptions and granted machinery import duty exemption.

Criteria shall be as specified by the Office of the Board of Investment.

6.1.4 Projects that have investment capital of 10 million baht or more (excluding cost of land and working capital) must obtain ISO 9000 or ISO 14000 certification or similar international standard certification within 2 years from the full operation startup date, otherwise corporate income tax exemption shall be reduced by one year.

6.1.5 For a concession project and the privatization of a state enterprise project, the Board's criteria shall be based on the Cabinet's decisions dated May 25, 1998, and November 30, 2004, as follows:

(1) An investment project of state enterprise according to the 1999 State Enterprise Corporatization Act shall not be entitled to investment promotion.

(2) For Build-Transfer-Operate or Build-Operate-Transfer projects, the state agency that owns the project must submit its project to the Board for consideration prior to any invitation to bid, and bidders shall be informed of any promotional privilege entitled to them, prior to the bidding. In principle, the Board will not promote a project where the private sector pays the state for a concession, unless such payment is deemed reasonable in comparison with what the state has invested in the project;

(3) For Build-Own-Operate projects, including those leased to or managed by the private sector, which in return pays rent to the state, the Board shall use normal criteria for investment promotion.

(4) For the privatization of state enterprises according to the 1999 State Enterprise Corporatization Act, in case of expansion after the privatization, only the expansion investment shall be eligible for promotion. Incentives shall be granted according to normal criteria for investment promotion.

6.2 <u>Environmental protection</u>

6.2.1 Adequate and efficient guidelines and measures to protect environmental quality and to reduce environmental impact must be installed. The Board will give special consideration to the location and pollution treatment of a project with potential environmental impact.

6.2.2 Projects or activities with type and size that are required to submit environmental impact assessment reports must comply with the related environmental laws and regulations or Cabinet resolutions

6.2.3 Projects located in Rayong must comply with the Office of the Board of Investment Announcement No. Por 1/2554 dated May 2, 2011 on Industrial Promotion Policy in Rayong Area.

6.3 <u>Minimum capital investment and project feasibility</u>

6.3.1 The minimum capital investment requirement of each project is 1 million baht (excluding cost of land and working capital) unless specified otherwise on the list of activities eligible for investment promotion that is attached to this announcement.

As for knowledge-based services, the minimum capital investment requirement is based on the minimum annual salaries expense specified in the list of activities eligible for investment promotion that is attached to this announcement.

6.3.2 For newly established projects, the debt-to-equity ratio must not exceed 3 to 1. Expansion projects shall be considered on a case-by-case basis.

6.3.3 For projects with investment value of over 750 million baht, (excluding cost of land and working capital), the project's feasibility study must be submitted with details as specified by the Board.

7. Criteria for Foreign Shareholding

The Board stipulates the following criteria for foreign shareholding in projects that apply for investment promotion:

7.1 For projects in activities under List One annexed to the Foreign Business Act, B.E. 2542, Thai nationals must hold shares totaling not less than 51% of the registered capital.

7.2 For projects in activities under List Two and List Three annexed to the Foreign Business Act, B.E. 2542, there are no equity restrictions for foreign investors except as otherwise specified in other laws.

7.3 The Board may set foreign shareholding limits for certain activities eligible for investment promotion as deemed appropriate.

8. Investment Promotion Zones

The Board specifies investment promotion zones as follows:

8.1 Twenty provinces with low per capita income: Kalasin, Chaiyaphum, Nakhon Phanom, Nan, Bueng Kan, Buri Ram, Phrae, Maha Sarakham, Mukdahan, Mae Hong Son, Yasothon, Roi Et, Si Sa Ket, Sakhon Nakhon, Sa Kaew, Sukhothai, Surin, Nong Bua Lamphu, Ubon Ratchatani and Amnatcharoen

8.2 Special economic development zones

8.3 Science and Technology Parks that are promoted or approved by the Board.

9. Criteria for Granting Incentives

The Board stipulates 2 types of incentives as follows:

9.1 <u>Activity-based incentives</u>

The Board classifies 2 groups of incentives based on the importance of activities as follows:

9.1.1 **Group A** consists of activities that shall receive corporate income tax incentives, machinery and raw materials import duty incentives and other non-tax incentives. This group can be divided into 4 subgroups as follows:

Group A1 shall receive the following incentives:

- 8-year corporate income tax exemption without being subject to a corporate income tax exemption cap
- Exemption of import duty on machinery
- Exemption of import duty on raw or essential materials used in manufacturing export products for 1 year, which can be extended as deemed appropriate by the Board
- Other non-tax incentives

Group A2 shall receive the following incentives:

- 8-year corporate income tax exemption, accounting for 100% of investment (excluding cost of land and working capital)
- Exemption of import duty on machinery
- Exemption of import duty on raw or essential materials used in manufacturing export products for 1 year, which can be extended as deemed it appropriate by the Board
- Other non-tax incentives

Group A3 shall receive the following incentives:

- 5-year corporate income tax exemption, accounting for 100% of investment (excluding cost of land and working capital) unless specified in the list of activities eligible for investment promotion that the activity shall be granted corporate income tax exemption without being subject to a corporate income tax exemption cap
- Exemption of import duty on machinery
- Exemption of import duty on raw or essential materials used in manufacturing export products for 1 year which can be extended as deemed it appropriate by the Board
- Other non-tax incentives

Group A4 shall receive the following incentives:

- 3-year corporate income tax exemption, accounting for 100% of investment (excluding cost of land and working capital)
- Exemption of import duty on machinery
- Exemption of import duty on raw or essential materials used in manufacturing export products for 1 year, which can be extended as deemed it appropriate by the Board
- Other non-tax incentives

9.1.2 **Group B** consists of activities that shall receive only machinery and raw materials import duty incentives and other non-tax incentives. This group can be divided into 2 subgroups as follows:

Group B1 shall receive the following incentives:

- Exemption of import duty on machinery
- Exemption of import duty on raw or essential materials used in manufacturing export products for 1 year which can be extended as deemed it appropriate by the Board
- Other non-tax incentives

Group B2 shall receive the following incentives:

- Exemption of import duty on raw or essential materials used in manufacturing export products

for 1 year which can be extended as deemed it appropriate by the Board

- Other non-tax incentives

9.2 <u>Merit-based incentives</u>

In order to attract and stimulate more investment or spending on activities that benefit the country or industry at large, the Board stipulates additional incentives based on merits of the projects as follows:

9.2.1 **Merit on competitiveness enhancement**

In case the projects have the following investments or expenditures:

(1) **Research and development** in technology and innovation including in-house R&D, outsourcing R&D in Thailand or joint R&D with overseas institutes.

(2) **Donations to Technology and Human Resources Development Funds, educational institutes, specialized training centers, research institutes or governmental agencies in the science and technology field in Thailand,** as approved by the Board

(3) **IP acquisition/licensing fees for commercializing technology developed in Thailand**

(4) **Advanced technology training**

(5) **Development of local supplier**s with at least 51% Thai shareholding in advanced technology training and technical assistance or

(6) **Product & Packaging Design**; either in-house or outsourcing in Thailand, as approved by the Board

Details shall be in accordance with criteria set by the Office of the Board of Investment.

Additional incentives shall be granted as follows:

(1) One additional year of corporate income tax exemption will be granted if qualified investments or expenditures are not less than 1% of the project's total revenue of the first 3 years combined, or not less than 200 million baht, whichever is less. However, the total period of corporate income tax exemption shall not exceed 8 years.

(2) Two additional years of corporate income tax exemption accounting will be granted if qualified investments or expenditures are not less than 2% of the project's total revenue of the first 3 years combined, or not less than 400 million baht, whichever is less. However, the total period of corporate income tax exemption shall not exceed 8 years.

(3) Three additional years of corporate income tax exemption will be granted if qualified investments or expenditures are not less than 3% of the project's total revenue of the first 3 years combined, or not less than 600 million baht, whichever is less. However, the total period of corporate income tax exemption shall not exceed 8 years.

The cap on additional corporate income tax exemption accounts for 200% of the investments and expenditures specified in No.

9.2.1(1) and 100% of the investments and expenditures specified in No. 9.2.1(2-6).

9.2.2 **Merit on decentralization**

Projects located in investment promotion zones specified in No. 8.1 shall receive additional incentives as follows:

(1) Three additional years of corporate income tax exemption shall be granted. However, the total period of corporate income tax exemption shall not exceed 8 years. Projects with activities in **Group A1** or **A2** which are already granted 8-year corporate income tax exemption shall instead receive a 50% reduction of corporate income tax on net profit derived from promoted activity for 5 years after the corporate income tax exemption period expires.

(2) Double deduction for transportation, electricity and water costs for 10 years from the date of first revenue derived from the promoted activity shall be granted.

(3) Deduction from net profit of 25 percent of the project's infrastructure installation or construction costs shall be granted in addition to normal depreciation. Such deduction can be made from the net profit of one or several years within 10 years from the date of first revenue derived from the promoted activity.

9.2.3 **Merit on industrial area development**

Projects located within industrial estates or promoted industrial zones shall be granted one additional year of corporate income tax exemption. However, the total period of corporate income tax exemption shall not exceed 8 years.

This merit-based incentive shall not be granted to activities with conditions specifying that projects must be located within industrial estates or promoted industrial zones.

9.2.4 **Projects Eligible for merit-based incentives application**

(1) Projects with activities in **Group A** can apply for merit-based incentives at the time of applying for investment promotion or after being promoted.

If the application is submitted after being promoted, promoted projects can apply for merit-based incentives whether or not revenue has already been derived from the projects. On the date of the application for merit-based incentives, the projects must have remaining corporate income tax exemption incentives under Section 31 of the Investment Promotion Act, both in terms of period and amount of corporate income tax exemption.

(2) Projects with activities in **Group B** can apply for merit-based incentives No. 9.2.1 **merit on competitiveness enhancement** and 9.2.2 **merit on decentralization** and must submit the application for merit-based incentives at the time of applying for investment promotion only. This excludes activities for which the list of activities eligible for

investment promotion specifies that they are not entitled to merit-based incentives.

10. Incentives for Production Efficiency Improvement

In order to improve production efficiency and develop competitiveness, the Board grants promoted projects an exemption of import duty on the following machinery as long as the project is promoted:

10.1 Machinery used for research and development

10.2 Machinery used for pollution prevention or treatment

10.3 Machinery used in the promoted projects that manufacture electronic products and parts for improving or replacing existing machinery or for increasing production capacity in existing projects, regardless of whether the projects have started their full operation or not

11. Use of Corporate Income Tax Incentives

To ensure that the incentives are granted effectively and exercised correctly in accordance with promotion conditions and to ensure the clear cost-and-benefit evaluation of investment promotion, promoted persons must report operating results for their projects to the Office of the Board of Investment for review prior to being granted corporate income tax incentives for that year. The reporting criteria and method shall be as prescribed by the Office of the Board of Investment.

12. Provisional Clause

Promoted persons under the Board of Investment Announcement No. 5/2549 dated March 20, 2006 on Policy to Promote Continuous Long-Term Investment Projects in the Electronics and Electrical Industry or the Board of Investment Announcement No. 8/2549 dated June 27, 2006 on Policy to Promote Continuous Long-Term Investment Projects that have High Investment Capital and Special Importance to the Electronics and Electrical Industry that submit applications for investment promotion after this announcement comes in to effect shall be granted the incentives according to the two aforementioned announcements as the case may be.

13. This announcement shall be effective for applications submitted from January 1, 2015 onwards.

Announced on , 2014

(General Prayut Chan-o-cha)
Chairman of the Board of Investment

This unofficial translation is for information purposes only; for legal purposes, please refer to the Thai original. In case of divergence of interpretation of this Announcement, the Thai original shall prevail.

(Unofficial Translation)

List of Activities Eligible for Investment Promotion

Section 1: Agriculture and Agricultural Products

Activities	Conditions	Incentives
1.1 Manufacture of biological fertilizers, organic fertilizers, nano-coated organo chemical fertilizer and bio-pesticides	1. Biological fertilizers, organic fertilizers and nano-coated organo chemical fertilizer must be registered and obtain license for manufacturing fertilizer for trade from the Department of Agriculture. 2. Bio-pesticides must be registered and obtain license certificate for production from the Department of Agriculture. 3. Projects must use inoculants or innovations that have supporting academic reference.	A3
1.2 Plant or animal breeding (only those that are not eligible for biotechnology activity)	1. Projects must have research and development activity. 2. For breeding of sensitive plants according to the policy of the Ministry of Agriculture and Cooperatives, projects must have Thai nationals holding shares totaling not less than 51 percent of the registered capital. 3. Revenue derived from plant propagation after plant breeding in the project shall be regarded as revenue of promoted projects, except for the propagation of cassava	A3
1.3 Economic forest plantation (except for Eucalyptus)	1. Total plantation area in close proximity must not be less than 300 rai, at least 50 rai of which must be adjacent. 2. Projects must have research and development activity. 3. Projects must receive approval from the Ministry of Natural Resources and Environment.	A1
1.4 Crop drying and silo facilities		B1

Activities	Conditions	Incentives
1.5 Animal propagation or animal husbandry		
1.5.1 Livestock and aquatic animal propagation	1. Projects must use modern technology, e.g. closed house system, evaporative cooling system, automatic watering and feeding system, vector control measure and system, sensor system for tracking and counting animals. 2. Projects must have traceability system. 3. Hatching eggs without breeder-raising process shall not be promoted.	A4
1.5.2 Livestock husbandry or aquaculture (except for shrimp)	1. Projects must have propagation process. 2. Projects must use modern technology, e.g. closed house system, evaporative cooling system, automatic watering and feeding system, vector control measure and system, sensor system for tracking and counting animals and effective environmental protection and impact reduction system. 3. Projects must have traceability system.	A4
1.6 Slaughtering	1. Projects must use modern technology, e.g. stunning method, shackle, cold storage, chilling system, meat quality and contaminant inspection. 2. Projects must have traceability system.	A4
1.7 Deep sea fishery	1. Surrounding net boat must be at least 500 gross tons. 2. Long line boat must be at least 150 gross tons. 3. Boats must have navigation equipment, fish finder and embedded tracking unit.	A3
1.8 Grading, packaging and storage of plants, vegetables, fruits or flowers	1. Projects using advanced technology, e.g. fruit ripeness sensor, radio frequency pest control, nuclear magnetic resonance 2. Projects using modern technology, e.g. color sorter, vapor heat treatment to kill fruit fly eggs, seed coating	A2 A3

Activities	Conditions	Incentives
	3. Rice grading must use advanced technology only.	
1.9 Manufacture of modified starch or starch made from plants that have special properties		A3
1.10 Manufacture of oil or fat from plants or animals (except for soybean oil)	1. Manufacture of crude or semi-refined oil from plants must start from agricultural produce. 2. Manufacture of refined oil from plants must start from agricultural produce or crude oil.	A3
1.11 Manufacture of natural extracts or products from natural extracts (except for medicine, soap, shampoo, toothpaste and cosmetics)		A4
1.12 Manufacture of active ingredients from natural raw materials	Projects must be supported by academic study on action and toxicity.	A2
1.13 Tanneries or leather finishing	1. Projects must use environment-friendly technology, e.g. reduction of chemical use, use of enzyme or biological catalysts instead of chemicals. 2. Tanneries must be located in industrial estates or promoted industrial zones.	A3
1.14 Manufacture of natural rubber products (except for rubber bands, rubber balloons and rubber rings) 1.14.1 Manufacture of primary processed Rubber 1.14.2 Manufacture of rubber products		 A4 A2
1.15 Manufacture of products from agricultural by-products or agricultural waste (except for those with uncomplicated production processes, e.g. drying, dehydration)		A4
1.16 Manufacture of fuel from agricultural products, including agricultural scrap or garbage or waste 1.16.1 Manufacture of fuel from agricultural products 1.16.2 Manufacture of fuel from agricultural scrap or garbage or waste, e.g. biomass to liquid (BTL), biogas from wastewater 1.16.3 Manufacture of biomass briquettes and pellets		 A2 A2 A3

Activities	Conditions	Incentives
1.17 Manufacture or preservation of food, beverages, food additives or food ingredients using modern technology (except for drinking water, ice cream, candy, chocolate, gum, sugar, carbonated soft drinks, alcoholic beverages, caffeinated beverages and flour or starch made from plants, bakery products, instant noodles, essence of chicken and bird's nest)	1. Projects with only mixing or dilution process shall not be promoted. 2. Projects with fermentation process must use starter cultures that have supporting study or research.	A3
1.18 Manufacture of medical food or food supplements	1. For the manufacture of medical food, products must be registered as "medical food" by Food and Drug Administration Thailand or other agencies with internationally-accepted standards. 2. For the manufacture of food supplements, 1. Products must be registered as "food supplements" by the Thai Food and Drug Administration or other agencies with internationally- accepted standards. 2. Projects must have an active ingredient extraction process.	A2
1.19 Cold storage or cold storage and cold storage transportation		B1
1.20 Trading centers for agricultural goods	1. Total area must not be less than 50 rai. 2. The area for operations and services related to agricultural goods must not be less than 60% of the total land area. Space must be allocated for agricultural exhibition or trade, auction centers, cold storage and silos. 3. Inspection, grading and pesticide residue inspection services for agricultural products must be provided.	A3

Section 2: Mineral, Ceramics and Basic Metals

Activities	Conditions	Incentives
2.1 Prospecting of minerals	1. Prospecting licenses (Prospecting Atchaybat: PA or Exclusive Prospecting Atchayabat :EPA or Special Atchayabat: SA) must be obtained prior to submission of investment promotion application 2. Not eligible for merit-based incentives	B1
2.2 Potash mining and/or dressing	Mining licenses (Prathanabat) or Mining sublease licenses must be obtained prior to submission of investment promotion application	B1
2.3 Manufacture of advanced or nano materials or products produced from advanced or nano materials	Projects must be approved by the National Science and Technology Development Agency (NSTDA)	
2.3.1 Manufacture of Advanced or Nano Materials or products produced from Advanced or Nano Materials with continue manufacturing process from Advanced or Nano Materials within the same project		A2
2.3.2 Manufacture of Products produced from Advanced or Nano Materials		A3
2.4 Manufacture of glass or ceramic products		
2.4.1 Manufacture of Special Quality Glass Products	Project must have melting and/or annealing process	A3
2.4.2 Manufacture of Glass Products	Project must have melting and/or annealing process	B1
2.4.3 Manufacture of Ceramic Products (except Earthen Ware and Ceramic Tiles)	Project must have firing process	B1
2.5 Manufacture of fire-resistant materials or heat insulation (except aerated, and lightweight brick)	Not eligible for merit-based incentives	B2
2.6 Manufacture of gypsum board or gypsum products	Not eligible for merit-based incentives	B2
2.7 Manufacture of up-stream steel, i.e. Hot Metal, Pig Iron, Sponge Iron, Direct Reduction Iron: DRI) and Hot Briquetted Iron (HBI)		A2

Activities	Conditions	Incentives
2.8 Manufacture of intermediate steel, i.e. Slab, Billet and Bloom	1. Intermediate steel with continuous production process from manufacturing of up-stream steel in the same project 2. Intermediate steel production only	A2 A4
2.9 Manufacture of down-stream steel		
2.9.1 Manufacture of High Tensile Strength Steel	The value of Ultimate Tensile Strength (UTS) of product must exceed 700 MPa	A2
2.9.2 Manufacture of down-stream steel with continuous production process from manufacturing of upstream and intermediate steel within the same project		A2
2.9.3 Manufacture of long steel products for industrial use i.e. steel wire rods, wires, shafts and bars		A4
2.9.4 Manufacture of long steel products for construction use, i.e. steel wire rods, wires, shafts and bars		B1
2.9.5 Manufacture of flat rolled steel products for industrial use, i.e. hot or cold rolled stainless steel sheets, steel plates, hot or cold rolled steel sheets and coated steel sheets		A4
2.9.6 Manufacture of flat rolled steel products for construction use, i.e. hot or cold rolled stainless steel sheets, steel plates, hot or cold rolled steel sheets and coated steel sheets		B1
2.9.7 Manufacture of Tin Mill Black Plate		A3
2.9.8 Manufacture of Cold-Rolled Electrical Steel Sheet	Non-oriented (NO) and Grain-Oriented (GO) only	A3
2.10 Manufacture of steel pipes or stainless steel pipes		
2.10.1 Seamless steel pipes and semi-seamless steel pipes		A3

Activities	Conditions	Incentives
2.10.2 Other steel pipes		B1
2.11 Manufacture of metal powder (except Shot Blasting)		A3
2.12 Manufacture of ferro-alloy		A4
2.13 Manufacture of cast iron/steel parts 2.13.1 Ductile cast steel parts 2.13.2 Other cast steel parts	Projects must use induction furnace in the production process	 A2 A3
2.14 Manufacture of forged iron/steel parts		A3
2.15 Rolling, drawing, casting or forging of non-ferrous metals		A4
2.16 Coil center	Not eligible for merit-based incentives	B2

Section 3: Light Industry

Activities	Conditions	Incentives
3.1 Manufacture of textile products or parts		
3.1.1 Manufacture of natural or synthetic fibers		
3.1.1.1 Manufacture of technical fiber or functional fiber	Projects must be approved by related agencies, e.g. Thailand Textile Institute, National Innovation Agency.	A2
3.1.1.2 Manufacture of recycled fiber	Projects must use domestic scraps or waste only.	A4
3.1.1.3 Manufacture of other fibers		B1
3.1.2 Manufacture of yarn or fabric		
3.1.2.1 Manufacture of functional yarn or functional fabric	Projects must be approved by related agencies, e.g. Thailand Textile Institute, National Innovation Agency.	A3
3.1.2.2 Manufacture of other yarn or fabric	1. Projects with investments or expenditures on research, design or product development of not less than 0.5% of the project's total revenue of the first 3 years combined	A4
	2. Projects with no investment or expenditures on research, design or product development or if the investment on research, design or product development is less than 0.5% of the project's total revenue of the first 3 years combined	B1
3.1.3 Bleaching, dyeing and finishing or printing and finishing or printing	1. Projects must be located or expand in industrial estates or promoted industrial zones that have waste treatment and environmental protection and control systems according to the announcement of the Ministry of Industry. 2. Environment-friendly technology must be used.	A3
3.1.4 Manufacture of garments, clothing accessories, and household textiles	1. Projects with investments or expenditures on research, design or product development of not less than 0.5% of the project's total	A4

Activities	Conditions	Incentives
	revenue of the first 3 years combined 2. Projects with no investment or expenditures on research, design or product development or if the investment on research, design or product development is less than 0.5% of the project's total revenue of the first 3 years combined	B1
3.2 Manufacture of non-woven fabric or hygienic products made of non-woven fabric		A4
3.3 Manufacture of bags or shoes or products made of leather or artificial leather	1. Projects with investments or expenditures on research, design or product development of not less than 0.5% of the project's total revenue of the first 3 years combined 2. Projects with no investment or expenditures on research, design or product development or if the investment on research, design or product development is less than 0.5% of the project's total revenue of the first 3 years combined	A4 B1
3.4 Manufacture of sports equipment or parts		B1
3.5 Manufacture of musical instrument		B1
3.6 Manufacture of furniture or parts	1. Projects with investment or expenditures on research, design or product development of not less than 0.5% of the project's total revenue of the first 3 years combined 2. Projects with no investment or expenditures on research, design or product development or if the investment on research, design or product development is less than 0.5% of the project's total revenue of the first 3 years combined	A4 B1
3.7 Manufacture of toys	1. Projects with investments or expenditures on research, design or product development of not less than 0.5% of the project's total revenue of the first 3 years combined 2. Projects with no investment or expenditures on research, design	A4 B1

Activities	Conditions	Incentives
	or product development or if the investment on research, design or product development is less than 0.5% of the project's total revenue of the first 3 years combined	
3.8 Manufacture of gems and jewelry or parts including raw materials and prototype		A4
3.9 Creative product design and development center	1. Projects must consist of 2 components, as follows: 1.1 Information system for design 1.2 Conceptual design and creation system 2. Projects must consist of one of the following components: 2.1 Engineering design system 2.2 Prototype design creation and performance testing system 2.3 Prototype standard testing and user acceptance testing system 3. At least 70% of total employees in the project must be Thais. 4. Projects must have expenses for salaries for creative product design and development personnel of at least 1,500,000 baht per year.	A1
3.10 Manufacture of lenses 3.10.1 Manufacture of lenses that are not medical devices, sunglass lenses or cosmetic lenses, e.g. camera lenses		A4
3.10.2 Manufacture of sunglass lenses, cosmetic lenses, eyeglass frames and parts		B1
3.11 Manufacture of medical devices or parts 3.11.1 Manufacture of high-risk or high-technology medical devices (e.g. x-ray machine, MRI machine, CT scan machine and implants) or medical devices that are commercialized from public sector research or collaborative public-private sector research		A2
3.11.2 Manufacture of other medical devices (except for medical devices made of fabrics or fibers)		A3
3.11.3 Manufacture of medical devices made of fabrics or fibers, e.g. gowns, drapes, caps, face masks, gauze and cotton wool	Manufacture of gauze or cotton wool must start from raw cotton fabric or cotton yarn.	A4

Section 4: Metal Products, Machinery and Transport Equipment

Activities	Conditions	Incentives
4.1 Manufacture of metal products including metal parts		
4.1.1 Products from metal or alloy powder	Project must have sintering process	A3
4.1.2 Metal products or metal parts	Project must have metal forming process continuing from iron/steel casting process (using induction furnace) or iron/steel forging process i.e. machining and stamping within the same project	A3
4.1.3 Other metal products including other metal parts	1. Continuous forming process from pressing, pulling casting or forging of non-ferrous metal within the same project	A4
	2. Forming process i.e. Machining and Stamping	B1
4.2 Surface treatment or anodized surface treatment (except coating or coloring treatment for decoration purpose)	For anodized surface treatment, project must have the following process, e.g. anodizing, etching and engraving	B1
4.3 Heat Treatment	Cyanide is prohibited in the process of heat treatment	A4
4.4 Manufacture of multi-purpose engines and equipment	1. Project must have forming process of main engine parts, e.g. cylinder head, crank case, crankshaft, camshaft, connecting rod, piston and flywheel	A4
	2. Assembling of multipurpose engine or equipment	B1
4.5 Manufacture of machinery, equipment and parts		
4.5.1 Automation machinery and/or automation equipment with engineering design	Projects must design control system using an embedded system.	A2
4.5.2 Machinery, equipment and parts and/or repair of mould and die	Projects must have part forming process and/or with engineering design	A3
4.5.3 Assembling of Machinery and machinery equipment	Projects must have assembling process as approved by the Board.	A4
4.6 Manufacture of general automobile	Not eligible for merit-based incentives	B1

Activities	Conditions	Incentives
4.7 Manufacture of automobile engines	1. Project must have part forming, not less than 4 out of 5 parts, as follows: Cylinder Head, Cylinder Block, Crankshaft, Camshaft and Connecting Rod 2. Assembling of engine	A3 A4
4.8 Manufacture of vehicle parts		
4.8.1 Manufacture of vehicle parts using high technology including: 4.8.1.1 Substrate for Catalytic Converter 4.8.1.2 Electronic Fuel Injection System 4.8.1.3 Automotive Transmission 4.8.1.4 Electronic Control Unit (ECU)		A2
4.8.2 Manufacture of automobile parts for safety parts and energy-saving parts 4.8.2.1 Anti-Lock Brake System (ABS) or Electronic Brake Force Distribution (EBD) 4.8.2.2 Electronic Stability Control (ESC) 4.8.2.3 Regenerative Braking System 4.8.2.4 Idling Stop System 4.8.2.5 Autonomous Emergency Braking System		A2
4.8.3 Manufacture of parts for Hybrid, Electric Vehicle (EV) and Plug-in Hybrid Electric Vehicles (PHEV) 4.8.3.1 Battery 4.8.3.2 Traction Motor 4.8.3.3 Air-condition system		A2
4.8.4 Manufacture of rubber tires for vehicles		A2
4.8.5 Manufacture of other vehicle parts		B1

Activities	Conditions	Incentives
4.9 Building or repair of ships 4.9.1 Building or repair of ships not less than 500 tons gross 4.9.2 Building or repair of ships less than 500 tons gross (only steel or fiber glass ships with installed engine and equipment)	Projects must obtain ISO 14000 within 2 years from start of operation date	A2 A2
4.10 Manufacture of trains or electric trains or equipment or parts (only rail system)		A2
4.11 Manufacture or repair of aircraft, including aircraft parts and equipment or onboard equipment 4.11.1 airframe, airframe parts, major aircraft appliances, e.g. engine, aircraft parts, propeller, and avionics 4.11.2 other aircraft parts , and onboard devices and equipment (except disposable and reusable aircraft utilities and supplies) 4.11.3 repair of aircraft, parts and equipment		A1 A3 A2
4.12 Manufacture of motorcycles (except less than 248 cc engine displacement)	1. Project must have forming process of engine parts, as follows: Cylinder Head, Cylinder Block, Crankshaft, Camshaft and Connecting Rod 1.1 For manufacturing motorcycles with more than 248 cc engine displacement but less than 500 cc, project must have forming of not less than 4 out of 6 parts. 1.2 For manufacturing of motorcycles with more than 500 cc engine displacement, project must have forming of 2 out of 6 parts. 2. Project must have structural welding process and spray painting process. 3. Investment plan for manufacturing and utilization of parts must be submitted and approved by the Board of Investment	A3 (must follow conditions 1-3) B1 (must follow conditions 2-3)

Activities	Conditions	Incentives
4.13 Manufacture of Fuel Cells		A2
4.14 Fabrication industry or platform repair for petroleum industry		
4.14.1 Fabrication industry or platform repair with engineering design		A3
4.14.2 Fabrication industry or platform repair for petroleum industry		A4
4.15 Manufacture of science equipment		
4.15.1 Scientific equipment using high technology	The scientific equipment must be able to measure parameter value, process data and self-report the result or automatically measure and control the parameter	A2
4.15.2 Other scientific equipment		A3

Section 5: Electronics and Electrical Appliances Industry

Activities	Conditions	Incentives
5.1 Manufacture of electrical products		
5.1.1 Manufacture of advanced technology electrical products	The advanced technology electrical products must have the capability to connect with the internet network (Internet of Things)	A3
5.1.2 Manufacture of air conditioners, refrigerators, freezers, washing and drying machines	Products must meet Thailand's Energy Efficiency Standards and have the High Energy Efficiency Label (Label No. 5) from the Ministry of Energy or other equivalent standards from acknowledged institutions	A4
5.1.3 Manufacture of other electrical products		B1
5.2 Manufacture of electrical parts and/or equipment, or parts and/or equipment used for electrical products		
5.2.1 Manufacture of power inverters		
5.2.1.1 Manufacture of power inverters for industrial use	Product design must be included in the manufacturing process	A3
5.2.1.2 Manufacture of other power inverters		A4
5.2.2 Manufacture of LED lamps		A4
5.2.3 Manufacture of compressors and/or motors for electrical appliances	1. The compressors must be for air conditioners, freezers, refrigerators that meet the Energy Efficiency Standards and have the High Energy Efficiency Label (Label No. 5) from the Ministry of Energy or other equivalent standards from acknowledged institutions 2. For the production of motors, product design must be included in the manufacturing process	A4
5.2.4 Manufacture of wire harnesses		B1

Activities	Conditions	Incentives
5.2.5 Manufacture of parts and/or equipment for other electrical products		B1
5.3 Manufacture of electronic products		
5.3.1 Manufacture of organics and printed electronics (OPE)		A2
5.3.2 Manufacture of telecommunication products		
5.3.2.1 Manufacture of emission, transmission and reception devices used in fiber-optic and wireless communication systems		A2
5.3.2.2 Manufacture of other telecommunication products		A3
5.3.3 Manufacture of electronic control and measurement instruments for industrial/agricultural use		A2
5.3.4 Manufacture of security control equipment		A2
5.3.5 Manufacture of audio visual products		A4
5.3.6 Manufacture of office electronics		A4
5.3.7 Manufacture of other electronic products		B1
5.4 Manufacture of electronic parts and/or equipment, or parts and/or equipment used for electronic apparatus		
5.4.1 Manufacture of parts for organics and printed electronics (OPE)		A2

Activities	Conditions	Incentives
5.4.2 Manufacture of solar cells and/or raw materials for solar cells	The manufacturing process and energy yield for the production of solar cells must be approved by the Board	A2
5.4.3 Manufacture of parts for telecommunication products		
5.4.3.1 Manufacture of parts for emission, transmission and reception devices used in fiber-optic and wireless communication systems		A2
5.4.3.2 Manufacture of parts for other telecommunication products		A3
5.4.4 Manufacture of parts for electronic control and measurement instruments for industrial/agricultural use, medical/scientific devices and automotive industry		A2
5.4.5 Manufacture of parts for security control equipment		A2
5.4.6 Manufacture of hard disk drive and/or parts for hard disk drive		
5.4.6.1 Manufacture of advanced technology hard disk drives and/or parts (excluding top covers, base plates or peripherals)	1. The areal density of hard disk drives must not be less than 2,000 gigabits per square inch 2. The cost of refurbishment of existing machines shall be regarded as an investment and will be taken into account in the calculation of corporate income tax exemption cap. The original cost of existing machines shall not be regarded as an investment	A2
5.4.6.2 Manufacture of hard disk drives and/or parts (excluding top covers, base plates or	The cost of refurbishment of existing machines shall be regarded as an investment and will be taken into account in the calculation of corporate	A3

Activities	Conditions	Incentives
peripherals)	income tax exemption cap. The original cost of existing machines shall not be regarded as an investment	
5.4.6.3 Manufacture of top covers, base plates or peripherals for hard disk drives		A4
5.4.7 Manufacture of solid state drives and/or parts for solid state drives	The cost of refurbishment of existing machines shall be regarded as an investment and will be taken into account in the calculation of corporate income tax exemption cap. The original cost of existing machines shall not be regarded as an investment	A2
5.4.8 Manufacture of parts and/or equipment for solar-powered products		A3
5.4.9 Manufacture of semiconductors and/or parts for semiconductors	For the production of integrated circuits, the cost of refurbishment of existing machines shall be regarded as an investment and will be taken into account in the calculation of corporate income tax exemption cap. The original cost of existing machines shall not be regarded as an investment	A3
5.4.10 Manufacture of equipment and/or parts for photonic devices and/or for photonic integrated systems		A3
5.4.11 Manufacture of flat panel displays	The manufacturing processes must be approved by the Board	A3
5.4.12 Manufacture of flexible printed circuits and/or multi-layer printed circuit boards and/or parts	The manufacturing processes must be approved by the Board	A3
5.4.13 Manufacture of other memory storage equipment		A4
5.4.14 Manufacture of printed circuit board assembly (PCBA)		A4

Activities	Conditions	Incentives
5.4.15 Manufacture of electro-magnetic products		A4
5.4.16 Manufacture of passive components		A4
5.4.17 Manufacture of parts for audio visual products		A4
5.4.18 Manufacture of parts for office electronics		A4
5.4.19 Manufacture of parts for other electronic products		B1
5.5 Manufacture of material for microelectronics 5.5.1 Manufacture of wafers 5.5.2 Manufacture of material based on thin-film technology	1. The manufacturing processes must be approved by the Board 2. The cost of refurbishment of existing machines shall be regarded as an investment and will be taken into account in the calculation of corporate income tax exemption cap. The original cost of existing machines shall not be regarded as an investment	A2 A3
5.6 Electronics design 5.6.1 Microelectronics design 5.6.2 Embedded system design	1. Projects must have expenses for salaries for electronics design personnel of at least 1,500,000 baht per year 2. Revenue derived from sales or the provision of services that are directly related to a promoted business or which are from downstream production for commercial purposes, either carried by the promoted companies of sub-contractors, shall be regarded as revenue of such promoted businesses 3. If located in a science and technology park promoted by the Board, 50 percent of the corporate income tax shall be reduced for 5 years after the expiration of the regular tax exemption period	A1 A1
5.7 Software 5.7.1 Embedded software 5.7.2 Enterprise software and/or digital content <u>Digital content includes</u>: - Animation, Cartoons & Characters	1. Projects must have expenses for salaries for IT-personnel of at least 1,500,000 baht per year 2. Projects must include software development processes specified by the Software Industry Promotion Agency (SIPA) 3. Projects with an investment of 10	A1 A3 (not subject to the corporate

Activities	Conditions	Incentives
- Computer Generated Imagery (CGI) - Web-Based Applications and Cloud Computing - Interactive Applications - Games: Windows-based, Mobile Platform, Consoles, PDAs, Online Games, Massive Multi-Player Online Games (MMOG) etc. - Wireless Location Based Service Content - Visual Effects - Multimedia Video Conferencing Applications - E–Learning Content via Broadband and Multimedia	million baht or more (excluding cost of land and working capital) must obtain a quality standard certificate from SIPA or receive a Capability Maturity Model Integration (CMMI) quality standard certificate or any equivalent standard within two years from the full operation start-up date. If the project fails to meet such conditions, one-year corporate income tax exemption shall be withdrawn 4. Revenue derived from sales or the provision of services that are directly related to a promoted software business shall be regarded as revenue of such promoted businesses.	income tax exemption cap)
5.8 E-commerce	Not eligible for merit-based incentives	B2

Section 6: Chemicals, Paper and Plastics

Activities	Conditions	Incentives
6.1 Manufacture of industrial chemicals	Chemical products, which are consumer products, such as paints, cleaning products, automobile lubricants, compound chemical fertilizers, insecticides or herbicides, cement based adhesives, etc., are not eligible for promotion	A4
6.2 Manufacture of eco-friendly chemicals or polymers or products from eco-friendly polymers		
6.2.1 Manufacture of eco-friendly chemicals or polymers or manufacture of products from eco-friendly chemicals or polymers that is incorporated within the same project as the manufacture of eco-friendly chemicals or polymers	1. The chemicals or polymers need to have less overall impact, assessed throughout their life cycles, on the environment. These products must be certified or can be proved to use raw materials from renewable resources, or use sustainable green chemistry in the production process, or they must be products that are biodegradable, and do not generate toxic substances. 2. Must to be assessed with an internationally-accepted standard such as Life Cycle Assessments (LCA) etc. before the full operation start-up date.	A2
6.2.2 Manufacture of products from eco-friendly polymers	Must have plastic forming or coating process using eco-friendly plastics or polymers	A3
6.3 Oil refinery		B1
6.4 Manufacture of petrochemicals		A3
6.5 Manufacture of specialty polymers or specialty chemicals		A2
6.6 Manufacture of plastic products for industrial goods	Must have plastic forming process	B1

Activities	Conditions	Incentives
6.7 Manufacture of plastic packages with special properties:		
6.7.1 Multilayer plastic packaging	Must integrate more than 3 layers of plastics.	A3
6.7.2 Aseptic plastic packaging	Must be certified with ISO 14611 level 7 (Clean Room) or Federal Standard 209 E Class 10000 or above or an equivalent international standard within 2 years from the full operation start-up date.	A3
6.7.3 Antistatic plastics packaging	Must be certified with ISO 14611 level 7 (Clean Room) or Federal Standard 209 E Class 10000 or above or an equivalent international standard within two years from the full operation start-up date.	A3
6.8 Manufacture of plastic products from recycled plastic.	Must have plastic forming process using domestic plastic raw material only	A4
6.9 Active pharmaceutical ingredients	Must be for production of active or raw materials of active pharmaceutical ingredients (APIs)	A2
6.10 Manufacture of medicine	1. For conventional medicine projects, such promoted projects must achieve GMP standard prescribed by PIC/S within two years from the full operation start-up date. 2. For traditional medicine projects, such promoted projects must achieve GMP standard within two years from the full operation start-up date. 3. For the improvement of existing projects, existing machinery can be used in the promoted project but its value shall not be included in the investment amount eligible for corporate income tax exemption.	B1
6.11 Manufacture of chemical fundamental fertilizers		A2

Activities	Conditions	Incentives
6.12 Manufacture of pulp or paper		
6.12.1 Hygienic pulp or hygienic paper	Must be certified with ISO 14611 level 5 (Clean Room) or Federal Standard 209 E Class 100 or above or an equivalent international standard two years from the full operation start-up date.	A2
6.12.2 Specialty pulp or specialty paper	Must be certified with relevant standards such as GMP or Food Grade within two years from the full operation start-up date.	A3
6.13 Manufacture paper articles		
6.13.1 Manufacture of products from hygienic paper	Must have a hygienic production process and must be certified with relevant standard such as GMP or Food Grade within two years from the full operation start-up date.	A4
6.13.2 Manufacture of paper container coated with bio-plastics	The production process must contain product coating process using biodegradable plastic.	A4
6.13.3 Manufacture of high performance paper products	Must have an engineering design process such as special load-bearing capacity or shockproof capacity etc.	A4
6.14 Production of printed matter		
6.14.1 Production of digital printed matter	Must have printing and designing process using Digital Media Software in the project.	A3
6.14.2 Production of printed matter		B1

Section 7: Service and Public Utilities

Activities	Conditions	Incentives
7.1 Public utilities and basic services	Must be approved by relevant government agencies	
7.1.1 Production of electricity or electricity and steam		
7.1.1.1 Production of electricity or electricity and steam from garbage or refuse derived fuel		A1
7.1.1.2 Production of electricity or electricity and steam from renewable energy, such as solar energy, wind energy, biomass or biogas, etc. except from garbage or refuse derived fuel		A2
7.1.1.3 Production of electricity or electricity and steam from other energy sources	1. In case of cogeneration 2. If the project uses coal, it must only use clean coal technology.	A4 A4
7.1.2 Production of tap water, industrial water or steam		A3
7.1.3 Container yards or inland container depots		A3
7.1.4 Loading/unloading facilities for cargo ship	Must use modern technology approved by the Board	A3
7.1.5 Commercial airports		A2
7.2 Natural gas station		B1
7.3 Mass transit systems and transportation of bulk goods	Must be approved by relevant government agencies	
7.3.1 Rail transport		A2
7.3.2 Pipeline transportation (except for water pipeline)		B1
7.3.3 Maritime transportation services		A2
7.3.4 Air transportation services	Planes in the project must be no more than 14 years old from their manufacturing date to BOI application submission date.	A3

Activities	Conditions	Incentives
7.4 Logistics service centers 7.4.1 Distribution centers: DC 7.4.2 International distribution centers – IDC	1. The paid-up registered capital must not be less than 10 million baht. 2. Must provide a goods storage facility that is controlled by a modern computerized system 3. International distribution center projects will have additional conditions, as follows: 3.1 Must have a minimum investment (excluding cost of land and working capital) of at least 100 million baht 3.2 The center must distribute goods to at least 5 countries 4. Distribution Center (DC) projects are not eligible for merit-based privileges	B1 A3
7.5 International headquarters – IHQ	1. Paid-up registered capital must not be less than 10 million baht. 2. Must supervise associated enterprises in foreign countries or its foreign branches in at least one country 3. Must have business plan and scope of business as follows: 3.1 Organizational administration and management and business planning 3.2 Sourcing of goods 3.3 Research and development 3.4 Technical support 3.5 Marketing and sales promotion 3.6 Human resources and training and development 3.7 Business advisory services, e.g. financial management, marketing, accounting system, etc. 3.8 Economic and investment analysis and research 3.9 Credit management and control 3.10 Treasury center 3.11 Other services as approved by the Board 4. IHQ projects are not eligible for merit-based privileges.	B1 (Only machinery for R&D and training activities)
7.6 International trading centers: ITC	1. The paid-up registered capital must not be less than 10 million baht.	B1

Activities	Conditions	Incentives
	2. ITC projects are not eligible for merit-based privileges.	
7.7 Trade and investment support offices: TISO	1. Annual selling and administrative expenses must be at least 10 million baht. 2. Must have a business plan and scope of business as approved by the Board, as follows: 2.1 Monitoring and/or servicing associated enterprises including providing or letting office or factory building to company's associated enterprises 2.2 Advisory services on business operations, except those engaged in buying and selling securities and foreign currency exchange. As for accounting, legal, advertising, architectural and civil engineering businesses, business licenses must be obtained from the Department of Business Development or related government agencies prior to submitting the investment promotion application 2.3 Information services on goods sourcing 2.4 Engineering and technical services, except those related to architecture and civil engineering services 2.5 Business activities related to machinery, engines, tools and equipment, such as: (1) Importing for wholesaling (2) Training services (3) Installation, maintenance and repair (4) Calibration 2.6 Wholesaling products manufactured in Thailand 2.7 International business process outsourcing whose services are provided through telecommunication networks, such as administrative services, finance & accounting services, human resource services, sales	B2

Activities	Conditions	Incentives
	& marketing services, customer services, data processing, etc. 3. Trade and investment support office projects are not eligible for merit-based privileges.	
7.8 Energy Service Company (ESCO)	Must be approved by Ministry of Energy before submitting an investment promotion application.	A1
7.9 Real estate development for industrial use 7.9.1 Industrial zones or industrial estates 7.9.1.1 Industrial zones or industrial estates	1. Projects in Bangkok and Samut Prakarn are not eligible for promotion. 2. Total land area of the project must not be less than 500 rai. 3. Factory-designated area must not be less than 60 percent and not more than 75 percent of the total area, except projects with a total area of over 1,000 rai, whose factory-designated area must be approved by the Board of Investment. 4. Other conditions as specified by the Board are as follows: 4.1 The main road (1)If the total area is over 1,000 rai, the road must have four lanes of not less than 30 meters wide, including road surface of not less than 14 meters wide, traffic island and pavement of not less than 2 meters wide each side and road shoulder or surface wide enough for an emergency stop. (2)If the total area is over 500 and up to 1,000 rai, the road must have two lanes with road not less than 20 meters wide, including road surface of not less than 7 meters wide and pavement of not less than 2 meters wide each side and a road shoulder or surface wide enough for an emergency stop. 4.2 The minor road must have a surface of not less than 8.5 meters wide and a shoulder of not less than 2 meters wide each side.	B1

Activities	Conditions	Incentives
	4.3 Wastewater treatment must be suitable for wastewater characteristics and according to legal effluent standards. Projects must have a post-treatment effluent pool. 4.4 Wastewater discharge system must be completely separate from rainwater discharge system. 4.5 Projects must have an approved system of collection and elimination of garbage as approved by the Board. 4.6 Factories located in industrial zones must be according to target industries and forbidden industries specified in the environmental impact assessment report approved by the Expert Review Committee of the Office of Natural Resources and Environmental Policy and Planning (ONEP). 4.7 The zone must provide factories located in the zone with sufficient public utilities, electricity, water, telephone service and post office. 4.8 The zone must develop about 25 percent of its total land area or as approved by the Board for public utility services within two years from the date of investment promotion certificate issuance.	
7.9.1.2 Gem and jewelry industrial zones	1. The total area must not be less than 100 rai. 2. Area for operations related to gems or jewelry must not be less than 40 percent of the total area. 3. Projects must have a sales area for gems and jewelry. 4. Projects must provide appropriate security systems. 5. Projects must have meeting rooms, exhibition halls and business centers.	A3
7.9.1.3 Logistics Park	1. The total area must not be less than 200 rai and the project must invest in establishing a warehouse for lease or sale with a total area of not less than 50,000 square meters. 2. Must be located either within 50 kilometers of a port, an airport, a customs checkpoint and an inland	A3

Activities	Conditions	Incentives
	container depot (ICD) or in Free Zone 3. Projects must designate some or the entirety of its area as a Free Zone. 4. Projects must have a station to load and unload containers, or a truck terminal and a container depot that can handle at least 50 containers. 5. Projects must install main telecommunication infrastructure that provides hi-speed communications that link the logistics park to domestic and international communication hubs. 6. Thai nationals must hold not less than 51 percent of the total registered capital. 7. Projects must be approved by relevant government agencies.	
7.9.1.4 Industrial zone for motion picture production (Movie Town)	Must provide the following facilities: 1. Indoor studio and outdoor studio 2. Post production services, i.e. film developing and duplicating, special effects, computer animation, sound lab	A3
7.9.1.5 Industrial estate or industrial zone for environmental protection	Must be approved by the Ministry of Industry before submitting the investment promotion application.	A3
7.9.2 Industrial zones or technology industrial zones		
7.9.2.1 Science and Technology Parks	1. Must have an incubation center 2. Must have a modern system for both domestic and international communications and telecommunications 3. Must have a continuous electricity backup system 4. Must have other facilities, as approved by the Board	A1
7.9.2.2 Software Parks	1. Projects must have high-speed fiber-optic main communications systems throughout the area. 2. The main telecommunications system must have a high-speed cable from	A1

Activities	Conditions	Incentives
	the software park to domestic and international telecommunication centers. 3. Continuous back-up of electricity supply must be installed. 4. The total area must not be less than 5,000 square meters.	
7.9.2.3 Data center industrial estates or industrial zone	1. Must provide complementary services for customers located in project, e.g. server co-location, managed service, customer's server backup service, disaster recovery services (DRS) etc. 2. Area of data center must not be less than 3,000 square meters 3. Must have a main hi-speed telecommunications system linking the data center with domestic and international telecommunication centers for at least 4 systems. The domestic telecommunication system must have a speed of at least 10 Gbps each, for at least 3 systems, and the total speed of the whole system must be at least 60 Gbps 4. Must be able to service clients during maintenance or during equipment replacement in the system. (concurrently maintainable) 5. Must have a "Continuous Rating" generator, which is capable of supporting the entire electricity needs of the Data Center, with a backup generator that can support the need for electricity when one of the generators doesn't function properly 6. Must have equipment or backup system for UPS IT Cooling and UPS Cooling. This system or equipment needs to be able to function immediately after a main system fails to function properly and this must ensure the failure in the main system does not affect service 7. Must have backup independent distribution paths in electricity distribution system 8. Must have a failure prevention system to prevent risks from damage or any malfunction in any equipment	A1

Activities	Conditions	Incentives
	9. Must have a highly efficient air conditioning system, with backup system 10. Must have fire prevention system for the entire area 11. Must have a 24-hour security system 12. Must be certified with ISO/IEC 27001 (data center)	
7.10 Cloud service	1. Must be located in at least 2 data centers in Thailand that are certified with ISO/IEC 27001 (data center) 2. Must have connections among all related data centers with speed of at least 10 Gbps for each connection, with backup connections at the same speed 3. Must be certified with ISO/IEC 27001 (cloud security) and ISO/IEC 20000-1 (cloud service)	A1
7.11 Research and development	1. Must have scope of business, as follows: 1.1 Basic research refers to theoretical or operational activities that are conducted to explore new knowledge from basic natural phenomena and factual observation, without initially considering the application. 1.2 Applied Research refers to research that applies basic knowledge to solve or develop a concept for commercial purpose, with objectives to obtain a new product or process. Applied research includes related activities such as formula development, product design, production process design for use at an industrial or commercial level 1.3 Pilot development refers to activities performed to magnify a production scale from basic research and applied research. Pilot development is a development of prototype and/or	A1

Activities	Conditions	Incentives
	production process testing in a semi-industrial level to test the market and/or collect information on suitable conditions for a production process to use a product design at an industrial level. 1.4 Demonstration development refers to research and development that further develops on results from a pilot development in order to test a production process at an industrial level to verify a technology and production process and to demonstrate the level of integrity of such process and viability on a commercial scale production in both quality control and cost estimation. 2. Must provide the Board with the details and scope of such research and development projects, information on projects' researchers, including number of researchers, academic profiles and work experiences. 3. Revenues derived from sale of the provision of services that are directly related to a promoted business or which are from downstream production for commercial purposes, either carried by the promoted company or sub-contractor, shall be regarded as revenue of the promoted business 4. Projects located in a promoted science and technology park or one that is approved by the Board will receive an additional 50 per cent reduction in corporate income tax for 5 years after the end of its corporate tax exemption period. 5. Must have expenses for salaries of research and development personnel of at least 1,500,000 baht per year	

Activities	Conditions	Incentives
7.12 Biotechnology 7.12.1 Research and development (R&D) activity and/or manufacturing of seed industry, improvement of plants, animals or microorganisms using biotechnology. 7.12.2 R&D activity and/or manufacturing of biopharmaceutical agents using biotechnology 7.12.3 R&D and/or manufacturing of diagnostic kits for health, agriculture, food and environment 7.12.4 R&D and/or manufacturing of bio-molecules and bioactive substances using microorganisms, plant cells and animal cells 7.12.5 Manufacture of raw materials and/or essential materials for molecular biological research and development, experiment, testing or quality control services and/or production of biological substances 7.12.6 Biological substance analysis and/or synthesis services and/or quality control services and/or product validation services	1. Projects must use modern biotechnology approved by the National Science and Technology Development Agency (NSTDA) or the Thailand Centre of Excellence for Life Sciences (TCELS) 2. Projects located in a science and technology park promoted by BOI or one that is approved by the Board will receive an additional 50 per cent reduction in corporate income tax for 5 years after the end of its corporate tax exemption period.	A1 A1 A1 A1 A1 A1
7.13 Engineering design	1. Projects located in a promoted science and technology park or one that is approved by the Board will receive an additional 50 percent corporate income tax reduction from net profits for 5 years after the end of its corporate income tax exemption period. 2. Must have expenses for salaries of engineering personnel of at least 1,500,000 baht per year	A1
7.14 Scientific laboratories	Projects located in a promoted science and technology park or one that is approved by the Board will receive an additional 50 percent corporate income	A1

Activities	Conditions	Incentives
	tax reduction from net profits for 5 years after the end of its corporate income tax exemption period.	
7.15 Calibration services	Projects located in a promoted science and technology park or one that is approved by the Board will receive an additional 50 percent corporate income tax reduction from net profits for 5 years after the end of its corporate income tax exemption period.	A1
7.16 Products sterilization services		A2
7.17 Recycling and reuse of unwanted materials	1. Must be approved by relevant government agencies. 2. Must be located in an industrial estate or promoted industrial zone. Exceptions to this requirement may be granted by the Board on a case-by-case basis. 3. Unwanted materials in the project must be generated from domestic sources only. 4. Must have separation or processing of unwanted materials using modern technology, as approved by the Board. 5. Promoted projects will receive rights and privileges, as follows: - Sorting/separation - Sorting/separation with additional processing of recycling or recovery of valuable substances.	A3 A2
7.18 Waste treatment or disposal	Projects must be approved by relevant government agencies.	A2

Activities	Conditions	Incentives
7.19 Vocational training centers	1. Must teach or train technical courses in specific fields, including design training center, as approved by the Board. 2. Must have necessary equipment, workshops and others 3. Projects located in a promoted science and technology park or one that is approved by the Board will receive an additional 50 percent corporate income tax reduction from net profits for 5 years after the end of its corporate income tax exemption period.	A1
7.20 Thai motion picture production	1. Thai motion picture production shall include production of movies, documentaries or television programs, but do not include production of an advertisement. 2. Revenue exempt from tax shall include 2.1 Revenue obtained from the sale of copyright, including sale of motion pictures in other forms such as CD, video CD, DVD, etc. 2.2 Revenue obtained from a revenue sharing scheme from movie theaters and motion picture distributor.	A3
7.21 Motion picture supporting services	Motion picture supporting services shall include documentaries, television programs, animations and commercials, which have a scope of business as follows: 1. Rental services of movie production equipment and/or movie production props must have main equipment machinery, such as camera, grip equipments, light set etc. 2. Film development and duplication services must have main equipment/machinery, such as film development machine, film duplication machine, digital film duplication machine, etc. 3. Sound recording services must have main equipment / machinery, such as digital sound recorder, digital sound	A3

Activities	Conditions	Incentives
	editing machine, digital sound mixing machine, etc. 4. Picture technical services must have machines and equipment capable of creating special pictures that are not possible with cameras. The service providers must have main equipment and machinery, such as standard definition/high definition digital recorders, editing suites, digital compositing and special effect creation, etc. 5. Coordination services for foreign movie production in Thailand must include coordinating with related government agencies for permits, location scouting and sourcing of staff and movie equipment. 6. Studio rental services for movie and television program production.	
7.22 Tourism promotion services		
7.22.1 Ferry services or tour boat services or tour boat renting	Must be approved by relevant government agencies.	B1
7.22.2 Tour boat port services	Must have facilitating equipment, such as boat lifting equipment, inland boat deck, boat garage for maintenance purpose.	B1
7.22.3 Amusement parks	1. Must have a minimum investment (excluding cost of land and working capital) of not less than 500 million baht 2. The project details must be approved by the Board.	A3
7.22.4 Cultural centers or arts and crafts centers	Must have a minimum investment (excluding cost of land and working capital) of not less than 30 million baht	A3
7.22.5 Open zoos	1. Must have a minimum investment (excluding cost of land and working capital) of not less than 500 million baht, with a total area of not less than 500 rai. 2. Project details must be approved by the Board. 3. Fifteen percent of the total area must be allocated as green area and another fifteen percent as car park.	A3

Activities	Conditions	Incentives
7.22.6 Aquariums	1. Projects must have a minimum investment (excluding cost of land and working capital) of not less than 100 million baht. 2. An environmental impact assessment report must be submitted within 12 months after the issuance of its investment promotion certificate.	A3
7.22.7 Race tracks	1. Projects must be approved by relevant government agencies. 2. Projects must obtain a standard certificate from FIA (Federation Internationale de L' Automobile) or FIM (Federation Internationale de Motocyclisme). 3. Projects must have appropriate preventive and controlling measures against environmental damage or against danger or trouble to neighbors. 4. An environmental impact assessment report must be submitted within 12 months from the date of issuance of its investment promotion certificate.	A3
7.22.8 Cable cars	Projects must be approved by relevant government agencies.	A3
7.23 Activities to support tourism: 7.23.1 Hotels	1. Each hotel must have at least 100 rooms or a minimum investment (excluding cost of land and working capital) of not less than 500 million baht. 2. A promoted hotel will receive its rights and benefits, as follows: - Promoted hotels located in one of the 20 special investment promotion provinces - Hotels in other provinces are not eligible for merit-based incentives.	 A4 B2
7.23.2 Convention halls	1. Total convention area must not be less than 4,000 square meters. Total area of the largest hall must not be less than 3,000 square meters. 2. Must have suitable facilities and equipment 3. Project's blueprints must be approved by the Board.	A3

Activities	Conditions	Incentives
7.23.3 International exhibition centers	1. Indoor exhibition area must not be less than 25,000 square meters 2. Every hall must have a business meeting room.	A3
7.23.4 Health rehabilitation centers	1. Must use medical technology for medical treatment and health rehabilitation 2. Must have continuous rehabilitation programs, including overnight treatment 3. Projects are not eligible for merit-based incentives.	B1