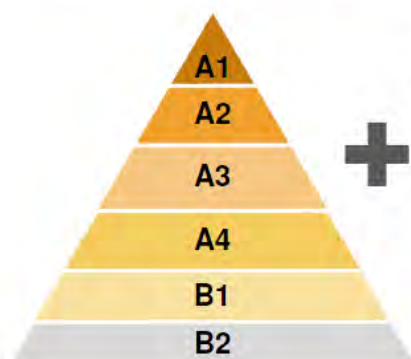


Investment Incentives under the old Investment Promotion Act

Activity-based Incentives



Additional Incentives

Merit-based Incentives

6 Activities:

- R&D
- Technology Fund Donation
- IP Licensing Fee
- Advanced Technology Training
- Local Suppliers Development
- Product & Packaging Design

Area-based Incentives

- Industrial estates / promoted industrial zones
- Science and technology parks
- 20 provinces with lowest per capita income
- 4 southern border provinces + 4 districts in Songkhla
- 10 Special Economic Zones
- **Cluster-based Investment :** Super Cluster / other clusters

- A1:** Knowledge-based activities, focusing on R&D and design to enhance the country's competitiveness
- A2:** Activities in infrastructure for the country's development, activities using advanced technology to create value added, with none or very few existing investments in Thailand
- A3:** High technology activities which are important to the country's development, with a few investments already existing in Thailand
- A4:** Activities with lower technology than A1-A3 but add value to domestic resources and strengthen supply chain
- B1-B2:** Supporting industries that do not use high technology but are still important to value chain

General Incentives

	Exemption of Corporate Income Tax	Exemption of Import Duty on Machinery	Exemption of Import duty on raw material imported for use in production for export	Non-tax
A1	8 years (No Cap) + Merit	✓	✓	✓
A2	8 years + Merit	✓	✓	✓
A3	5 years + Merit	✓	✓	✓
A4	3 years + Merit	✓	✓	✓
B1	0 year + Merit (for some activities)	✓	✓	✓
B2	-	-	-	✓

Other Incentives

- 50% reduction of corporate income tax up to 5 years
- Land ownership rights
- Work permit and visa facilitation

New Investment Incentives

Revised Investment Promotion Act (effective as of 25 Jan 2017)

- Exemption of corporate income tax up to 13 years for R&D, advance technology and innovation (up from 8 years under old IPA).
- 50% reduction of corporate income tax up to 10 years (up from 5 years under old IPA).
- Investment Tax Allowance (not applicable under old IPA).
- Special packages for targeted core technology, including biotech, nanotech, advanced materials, and digital.
- 100-300 % tax deduction for R&D expenses and technology and workforce development

Competitiveness Enhancement Act (effective as of 14 Feb 2017)

- Exemption of corporate income tax up to 15 years (up from 8 years under old IPA).
- 10,000 million Baht matching fund for targeted industries.
- Import duty exemption.
- All other privileges under old and revised IPA.
- Targeted industries include: next-generation automotive, smart electronics, advanced agriculture and biotech, food processing, tourism, advanced robotics, integrated aviation, medical hub, biofuels and biochemical, and digital.

EEC Act (to become effective in 2017)

- Expected total investment of 1.5 Trillion Baht (\$43 bn USD) in first 5 years.
- Cover investment in Chachoengsao, Chonburi, and Rayong.
- Exemption of corporate income tax up to 15 years.
- 15% personal income tax rate for executives in regional headquarters, international trading companies, and R&D Center (lowest in ASEAN).