

Cluster and Super Cluster Schemes

According to the BOI Announcement No.10/2558 which was effective on 26 September 2015, the tax incentives and privileges in the Special Economic Development Zones (SEZs) have been provided to the investors for a purpose to strengthen the value chain, enhance investment competencies to attract value added investment from existing and new investment. The key issues of the BOI Announcement No.10/2558 are as follows:

1. Designate all areas in every province to be investment promotion zones

2. Cluster investment promotion incentives and privileges in the SEZs

2.1 Super Clusters are clusters for activities using advanced technology, and future industries

- (1) 8-year corporate income tax exemption with exemption cap
- (2) A 50 percent reduction from the normal rate of corporate income tax on the net profit deriving from the promoted activity for a period of 5 years counting from the expiry date of the corporate income tax exemption

2.2 Target Clusters include agro-processing cluster, and textile and garment cluster

- (1) A 50 percent reduction from the normal rate of corporate income tax on the net profit deriving from the promoted activity for a period of 5 years counting from the expiry date of the corporate income tax exemption

2.3 Activities Supporting Cluster Development

- (1) A 50 percent reduction from the normal rate of corporate income tax on the net profit deriving from the promoted activity for a period of 5 years counting from the expiry date of the corporate income tax exemption

Apart from the incentives on corporate income tax abovementioned, other available incentives includes:

- Exemption from import duties on machinery;
- Exemption from personal income tax for Thai and non-Thai experts working in the indicated areas;
- Non-Thai experts may be granted Permanent Residence; and
- Allowing a land of promoted business be owned by a foreigner.

3. Conditions

An interested investor shall be required to meet the following conditions in order to grant the incentives:

3.1 An investor must have cooperation with academic/educational institutions, research institutes or Center of Excellence in the clusters in a prescribed types of cooperation as follow:

- (1) Cooperation under the Talent Mobility, Work-Integrated Learning Project or Cooperative or Dual Systems
- (2) Human Resource or Technological Development Cooperation as approved by the Board of Investment

3.2 An investor must generate first revenue within 31 December 2017 unless under necessary circumstances, the Office of the BOI may consider extension as deemed appropriate.

3.3 An investor must submit application for investment promotion within 30 December 2016.

3.4 An investor must be located in the prescribed provinces (as in the SEZs) according to its business type.

4. Eligible projects

4.1 Super Cluster

- (1) Automotive and Parts Cluster
- (2) Electrical Appliances, Electronics and Telecommunication Equipment Cluster
- (3) Petrochemical and Eco-Friendly Chemical Product Cluster
- (4) Digital Cluster

4.2 Target Clusters

- (1) Agro-processing Cluster
- (2) Textile and Garment Cluster

4.3 Activities Supporting Cluster Development

- Project must be located in the cluster area as specify in 4.1 – 4.2 and must carry out activities supporting cluster development as specify for each cluster.

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