

Why invest in Thailand in 2016

Investment Opportunities in Thailand

- Access to the CLMV countries, with Thailand serving as the hub of the Asean Economic Community
- Low rates of tax for business operations
- Investment opportunities in logistics infrastructure development such as the double-track rail network, mass transit systems in the Bangkok metropolitan area and Suvarnabhumi Airport expansion worth over 1.7 trillion baht in total
- Best destination for business entrepreneurs according to the 2014 Expat Explorer survey

2016 Special Investment Promotion Year

The Thai government is giving entrepreneurs lots of reasons to use Thailand as a Research & Development hub as well as a manufacturing base for industries with strong potential by providing special privileges including tax and financial incentives.

Incentives to Invest Now

- Double deduction of expenses incurred from investment from 2015 – 2016
- Public Private Partnership (PPP) Fast Track

Incentives to Invest in Thailand's New Growth Engines

- Special tax and non-tax incentives for 5 potential industries and 5 future industries
- Triple tax deduction for R&D on technology and innovation
- Incentives for import of prototype automobiles for R&D purposes
- Thailand Future Fund
- Competitiveness Enhancement Fund for targeted industries

Incentives to Invest in AEC using Thailand as a Hub

- Special tax and non-tax incentives for investment in border Special Economic Zones (SEZs)
- Incentives for International Headquarters (IHQ) and International Trade Centers (ITC)

Special Economic Zones Privileges

- Enhanced BOI investment promotion privileges
- Reduced Corporate Income Tax (CIT) rate of 10% for income received from products and services in the SEZs a period of 10 years
- Fee waiver for loan guarantee by the Thai Credit Guarantee Corporation
- Super Clusters incentives: CIT exemption for 8 years, 50% CIT reduction for an additional 5 years and duty exemption on machinery imports
- Other targeted clusters incentives: CIT exemption for 3- 8 years, 50% CIT reduction for an additional 5 years and duty exemption on machinery imports

Super Clusters	Other Targeted Clusters
Automotive	Agro-processing Products
Electrical Appliances	Textiles and Garments
Eco-friendly petrochemical and chemical products	
Digital-based	
Food Industry	
Medical Hub	

International Headquarters (IHQ) and International Trading Center (ITC)

Tax privileges for IHQ for 15 Years

- CIT exemption for qualified activities income received from overseas affiliated entities
- CIT exemption for royalties, dividends, capital gain of transferring shares and income from purchase and sale of goods overseas
- Reduced CIT rate to 10% for qualified activities income received from affiliated entities in Thailand
- Reduced Personal Income Tax (PIT) rate to 15% on gross income received from IHQ for expatriates
- Special Business Tax exemption for loan affiliated entities
- Withholding tax exemption on interest and dividends paid by IHQ to foreign entities



Tax privileges for International Trading Center for 15 Years

- CIT exemption for income from purchase and sale of goods overseas (out-out)
- CIT exemption for services relevant to international trade overseas
- Reduced PIT rate to 15% on gross income received from ITC for expatriates
- Withholding tax exemption on the dividends paid by ITC to foreign entities

Incentives to Invest Now

Double deduction on depreciation expenses for 2015 - 2016

Criteria: The qualified assets are machinery, equipment, tools, computer software, vehicles, and buildings (excluding land and buildings for residential purposes).

Incentive: Double deduction of depreciation expenses for acquiring new assets (for companies acquiring new assets from November 3, 2015 to December 31, 2016).

PPP Fast Track

Shortened Public-Private Partnership (PPP) approval process from 25 to 9 months.



Incentives to Invest in Thailand's New Growth Engines

Special tax and non-tax incentives for 5 potential industries and 5 future industries

Strengthening Existing S-Curve	Seeding New S-Curve
Next-Generation Automotive	Robotics
Smart Electronics	Aviation and Logistics
Affluent and Wellness Tourism	Biofuels and Bio-chemicals
Agriculture and Biotechnology	Digital
Food Processing	Medical Hub

- CIT exemption for 10-15 years
- PIT exemption for experts working in target industries
- Special grants and financial support for target industries through the Competitiveness Enhancement Fund

R&D Promotion for Automobile Industry

Automobile industries that import prototype vehicles for conducting R&D in Thailand will be granted tax incentives including excise tax, import duty, VAT, and depreciation expense in order to promote Thailand as an R&D hub.

Triple deduction on R&D tax expense

Tax deductions of up to 3 times will be granted for expenses relating to R&D of technology and innovation. The incentive is effective for eligible R&D expenditure incurred from January 1, 2015 to December 31, 2019.

Thailand Future Fund

Foreign investors or institutions have opportunities to invest in a pool of national infrastructure projects through the Thailand Future Fund worth 100 billion baht, with a minimum guaranteed return.

Don't miss these opportunities to take part in Thailand's development drive.

For more information, please visit the Ministry of Finance's Fiscal Policy Office website www.mof.go.th



Being Fiscal and Economic Pillar for Sustainable Development